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OFFICE OF NATIONAL RECOVERY ADMINISTRATION

DIVISION OF REVIEW

HISTORY OF THE CODE OF FAIR COMPETITION

for the

SHIPBUILDING AND SHIPREPAIRING INDUSTRY

WORK MATERIALS NO. 70

Administrative Section

March, 1936

H I S T O R Y

of the

CODE OF FAIR COMPETITION

for the

SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Approved Code No. 2

Author:

J. Newton Whittelsey

Robert C. Ayers
Chief, Histories Unit

9732

FOREWORD

This history of the Code of Fair Competition for the Shipbuilding and Shiprepairing industry is mimeographed in order to make available a sample of the code histories prepared by the Division of Review. A similar service will be rendered in connection with certain other code histories.

In order to get a complete picture of National Recovery Administration materials applicable to a given industry, one must visualize such a documented code history as this supported by the three volumes of evidence which were sent to the President at the time the code was recommended for his approval, plus any studies in this field either by the Division of Research and Planning or by the Division of Review of the National Recovery Administration, plus the vast amount of material in National Recovery Administration files which was developed in connection with the formation and administration of the code. These constitute a veritable treasury of information concerning the operations and problems of industry.

This history contains a documented account of the formation and administration of the code; the definition of the industry and the principal products thereof; the classes of members in the industry; an account of the sponsoring organizations, the conferences, negotiations and hearings which were held, and the activities in connection with obtaining approval of the code; the organization and operation of the code authority, the difficulties encountered in the administration, the extent of compliance and non-compliance, and the general success or lack of success of the code; and an analysis of the operation of the code provisions dealing with wages, hours, trade practices, and other provisions. These and other matters are canvassed, not only in the terms of materials to be found in the files, but also in terms of experiences of the Division Administrators, Deputy Administrators, Assistant Deputy Administrators and others connected with the code formation and administration.

At the back of this history will be found a brief statement of the studies and work undertaken by the Division of Review.

L. C. Marshall
Director, Division of Review

March 6, 1936

H I S T O R Y

of the

Code of Fair Competition

for the

SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Approved Code No. 2
Registry No. 1408/1/01

Approved July 26, 1933
Effective August 5, 1933

Compiled by H. Newton Whittelsey
Assistant Deputy Section Director

Reviewed by

- 0 -

A. Heath Onthank, Director

Industry Section No. 2

, 1935

TO: A. Heath Onthank
Director, Industry Section 2

FROM: H. Newton Whittelsey
Assistant Deputy Section Director

SUBJECT: History of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry

Herewith original and five copies of the above history prepared in accordance with the revised model outline dated July 10, 1935.

In my opinion this history adequately reflects the history of the code.

H. NEWTON WHITTELSEY (Signed)
H. Newton Whittelsey
Assistant Deputy Section Director

Reviewed by:

E. R. SCHAEFFER (Signed)
E. R. Schaeffer

Approved:

A. Heath Onthank

PREFACE

This History of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry pertains to an Industry largely outside the tariff wall. The principal business of the major and medium size plants is the building and repair of Commercial Vessels for deep sea trade, which must be sold to operators who are in direct competition with the merchant fleets of the world. In this competition, construction cost must be amortized during the life of the vessels and at the same time there must be carried the increased costs of operation of American vessels. A few of the major companies also build for the Navy.

The History of this Code No. 2 and the Industry subject to it was predetermined by two early events, i. e.; (1) There was substantially imposed on the Industry uneconomic weekly hours of 32 per week for Naval work and 36 per week for Commercial work at the post-hearing conferences, after reasonable weekly hours of 40 per week had been determined in three days of hearings, (2) and there were not submitted to the Administration, by the Deputy, the Industry's Rules and Regulations containing its Fair Trade Practice provisions, for approval and necessary modifications to make them enforceable, and consequently its Trade Practice provisions failed of enforcement.

Shipbuilding is not a continuous process, and it cannot be organized completely on a factory production basis. Prior to July 1, 1933, the Industry worked on a 44 to 48 hour basis and gave the men a payroll on 37½ hours per week average. A 40 hour maximum average week would give them about 35 hours per week pay, but the Code 36 hours per week gave them only 29 to 31 hours pay. Due to the restricted weekly hours labor became restive, and wage scales were increased 20% to 40% and, therefore, far beyond Code requirements, until the scale as reported May 1935 by the Department of Labor was 75 cents average per hour for Shipbuilding, whereas General Manufacturing Industries averaged 57 cents per hour, a difference of 30%. Even then, the Mens' average pay of April 1935 was only $23.60, and in consequence a major strike developed.

Peak employment on Naval contracts was seriously delayed by the Code hours and employment on new deep sea commercial contracts was substantially barred largely due to the increased cost incident to the restricted hours. The Code acted to spread employment for a few months, but defeated the real increase of employment hoped for. The Government operated the Navy yards on a 40 hour per week basis because it would have required an increase of appropriation to reduce to 36 hours per week, and drew skilled men from the private yards.

The Code originally provided 32 hours for Naval shipbuilding and 36 hours for Commercial shipbuilding with permit to work up to 40 hours on Shiprepairing, but the latter to be averaged over a six months' period at 36 hours. April 2, 1934, Amendment No. 3, Naval Shipbuilding was changed to 36 hours. The Shipbuilders applied to the Administrator for further relief of 40 hours per week, a conference was held on

May 7, 1934, where all parties of interest were represented, but no decision was ever rendered by the Administrator, although over 90% of N. R. A. Codes and Supplements provided for 40 hours per week or better.

The Washington view of this Industry has been largely in error, whether judged from open hearings, conferences, or conversations. Building of Naval vessels is spoken of usually as the principal and only business of the Industry. In fact, only 7 of the 384 shipbuilding and repair companies have contracts to build for the Navy. The Industry in 1919 employed 187,446, and in 1923 employed 62,387, and in 1929 employed 55,089, mostly on commercial shipbuilding and repair. The employment during April 1935 was 40,582 and included hardly more than one-third actually working on Naval contracts.

The Fair Trade Practice provisions incorporated in the Rules and Regulations were seriously desired by the Industry to correct certain bad practices. Considerable effort was made at three meetings of the Code Authority and two hearings (one an open hearing) to perfect these under the guidance of the Deputy, and they were finally approved by the Code Authority October 3, 1933. They contained some provisions that should have been submitted as amendments and others that needed modification to make them enforceable. Unfortunately, the Deputy did not submit them to the Administration and the entire lot went into discard, leaving the Industry without any adequate provisions.

In March 1934 work on an Amended Code to include suitable Labor and Fair Trade Practice provisions was begun by the Shipbuilders, but it was held up pending the decision on the application for the 40 hour week. Every effort was made by those in charge of the Code to have the Amended Code submitted, but without success in view of the indefinite situation regarding the 40 hour week and the 30 hour law pending in Congress. Definite plans, however, were under way for a revised Code under the proposed new N. R. A. law, that was expected to rectify the situation.

The author's experience with the Administration of this Code was characterized by continuous problems of stays and exemptions which were for the most part the outcome of restricted hours, further, the unrestful labor situation made an Industrial Relations Committee most necessary, which was difficult to set up, but finally proved highly efficient as the Industry and Labor Members worked exceedingly well together.

The author jointed N. R. A. in April 1934 for work of administering the Shipbuilding and Shiprepairing Code, Boatbuilding and Boatrepairing Code, and other Marine Codes, under Mr. J. B. Weaver, Deputy Administrator, Division I. August 1, 1934, the Code was transferred to Division II, Mr. Barton W. Murray, Division Administrator, with Colonel W. W. Rose, Deputy of the Section, and the author was transferred with the Code at the same time. Both Mr. Murray and Colonel Rose took considerable interest in this Code and its problems. The author's previous training was University of Minnesota, and then University of Glasgow, Glasgow, Scotland, for Naval Architecture, Bath Iron Works, Bath, Maine, for practical shipbuilding in the yard; Consolidated Shipbuilding Company, Maryland Steel Company (Bethlehem Shipbuilding

Company), New York Shipbuilding Company in designing; followed by a long period in New York as the head of Whittelsey and Whittelsey, Naval Architects and Marine Engineers, who acted for shipbuilders, owners, and financial institutions.

Compiled by:

H. NEWTON WHITTELSEY (Signed)
H. Newton Whittelsey
Assistant Deputy Section Director

H I S T O R Y

of the

Code of Fair Competition

for the

SHIPBUILDING AND SHIPREPAIRING INDUSTRY

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S - 2 Letter December 2, 1935, to H. Newton Whittelsey, Assistant Deputy Directory, from H. Gerrish Smith, President National Council of American Shipbuilders

T - Demands of the Industrial Union of Marine and Shipbuilding Workers of America, Local No. 1, Camden, N. J., April 1935.

T - 1 Letter April 9, 1935, to Negotiating Committee, Industrial Union of Marine and Shipbuilding Workers of America, Local No. 1, Camden, N. J., from the New York Shipbuilding Corporation.

U - Letter June 15, 1934, to J. B. Weaver, Deputy Administrator, from H. Gerrish Smith, President National Council of American Shipbuilders.

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CHAPTER I GENERAL INFORMATION

HISTORY

CODE OF FAIR COMPETITION

FOR THE

SHIPBUILDING AND SHIPREPAIRING INDUSTRY

I. General Information

The Shipbuilding and Shiprepairing Industry builds and repairs all types of metal Commercial and Naval vessels for deep sea service and for bays, harbors and rivers. The principal occupation of the Industry is Commercial work, but at times Naval programs become an important item with certain of the major shipbuilding plants.

The Industry enjoyed a volume of $251,848,000 in 1929 and in 1931 $186,993,000, principally commercial ship-building and shiprepairing. In 1933 Commercial shipbuilding almost ceased and the principal business was repair work. The total volume for that year was $92,696,000. For the year 1935, because of the large amount of work placed with the major shipyards for Naval programs let in August 1933 and August 1934, the volume is estimated to be $172,473,000.

Employment for 1929 of wage earners was 55,089; in 1931 45,262; in 1933 30,885 and in 1935 40,582. The wages paid were $88,274,000; $52,023,000; $33,890,000 and $49,868,000 estimated.

The values added by the manufacturers for 1929 was $145,451,000, about 70%; for 1931 $114,671,000, about 61.5%; for 1933 $61,524,000, about 66.5% and for 1935 $122,473,000, estimated about 71%. The foregoing figures are taken from page 9 hereof.

While certain major shipbuilding plants, seven in all of the 234 members of the Industry, have been benefited by the Naval shipbuilding programs, it is quite evident that the Industry as a whole is suffering from lack of new Commercial shipbuilding, and that there is a lack of employment of 20,000 men that were used in Commercial shipbuilding in the year 1929 and the years before. In fact in 1919 the Industry employed 387,446, which was the high point of employment and 1921 106,445 and 1923 62,287. Under healthy conditions the Industry should employ from 75,000 to 100,000 men, if the American Merchant Marine is to be adequately maintained for the benefit of our foreign commerce. The foregoing figures are found on page 6 hereof.

In 1930 and 1931 there was 300,000 gross tons of new Commercial shipbuilding construction in American ship-yards, whereas in 1934 this type of construction dropped to 20,103 gross tons, which would mean only two fair size cargo boats. Further while the World Commercial shipbuilding from 1930 to 1934 shrank 60%, that of the United States shrank 91%. (See page 11 hereof)

The average life of a deep sea ship is 20 years. The present American merchant marine fleet is made up for the most part of vessels built at the latter part of the World War period or shortly thereafter, and consequently about 30% will be obsolete by 1939; 50% by 1940; 80% by 1941 and 90% by 1942.

If the average fleet required to maintain our present position is taken to consist of 3,000,000 gr. tons for foreign trade and 3,000,000 gr. tons for coast-wise trade, it would make a total of 6,000,000 gr. tons. To maintain the replacement of this fleet over a period of 20 years, it would be necessary to build 300,000 gr. tons per year. This figure has been put forward as a minimum that should be built. However, under such a schedule the fleet would not be thoroughly modernized until about 1950. The author estimates from 450,000 to 600,000 gr. tons would have to be built per year within the next 6 years and then the regular maintenance of 5% or 300,000 gr. tons per year built thereafter. The cost of 300,000 gr. tons per year is estimated to be $50,000,000 and 450,000 gr. tons per year would cost approximately $75,000,000. The maintanence of a deep sea ship over its 20 year life may be taken to represent one-half the cost of the vessel. (See Exh. S, Appx.)

The National Council of American Shipbuilders made a considerable study of the distribution of wages in shipbuilding. They found that approximately 40% of the cost of a ship went to wage earners and salaried employees within the shipyards and that a further 40% went into the material processed for and used by the shipyard before the shipyard received it. Translating this percentage into practical figures, and investment of $75,000,000 per year in new construction would provide pay of $60,000,000 and employment for approximately 44,000 men; one-half within the shipyards and one-half on the materials being processed for the shipyards. Reference is made to address of H. Gerris Smith, President National Council of American Shipbuilders before the American Merchant Marine Conference, November 18, 1935, Exh. S, Appx.

American shipyards must pay reasonable American scale of wages to permit the scale of living usual in this country. The based skilled rate may be taken as 83¢ per hour, which is much higher than the average of American manufacturers. At present the plants are working on the uneconomic weekly maximum hour of 36 hours per week. The British skilled rate is 60 shillings for 47 hours or the equivalent of about 31¢ per hour as of 1934, the last data available. (Ref. Exh. Q-11). The German skilled rate basis as of 1934 was 72 pfennings or the equivalent of about 18¢ per hour. The hours worked are from 48 to 56 in German yards. (ref. U.S. Shipping Board Exh. S-1)

Translating the effect of the foregoing weekly hours and wage scales to an actual figure for construction, the author was reliably informed November 1935 as follows: On offers for a 13,500 D. W. ton Diesel tanker the American figure was $125 per D. W. ton, the German figure $52 D. W. ton and the English figure $62 per D. W. ton. Further on a $2,000,000 combination cargo and passenger vessel to be built in American yards the figures to build in Germany were 38% and in English yards 42% of the American figure. A ship usually measures less in gross tons than in Deadweight ton.

In the opinion of the author the foregoing figures of the American yards are 10% to 20% above what they would be under normal working hours of 40 hours per week. Further, this Industry needs the most elastic form of weekly hours in order to operate at the most economical point obtainable in American shipyards which must pay for American materials and American labor.

As the Navy is the first line of defense so the Merchant Marine fleet is the necessary auxiliary. In the war period we spent something over $3,000,000,000 to build up the merchant fleet. It required 420 ship ways for steel ships. There are in the Coastal shipyards of the United States, which do not include the Great Lakes, 93 shipbuilding ways suitable for the construction of steel deep sea tonnage. Even with the present Naval program approaching its peak production, hardly half of these ship ways are in use. The unoccupied ways should be filled with commercial deep sea tonnage if the merchant fleet is to be maintained and not drop back to the dangerous position of 1914. (See Exh. S-2, Appx)

This History is compiled from the records located as follows:

Printed Code and Amendments. Exhibit A
Volumes I-II-III, Code Record Section.
Volumes A and B, Code Record Section.
Administrative Orders. Code Record Section, and Exhibit K.
Deputy's files, N. R. A., Section 2.
General Files, N. R. A. (Central Record Section)
Research and Planning files, N. R. A.
Legal Division andCompliance files, N. R. A.
Advisory Boards' files, N. R. A.
Government Agency reports. Deputy's Files.
Code Authority. Minutes - Deputy's files.
Trade Association reports. Deputy's files.
National Labor Board. Deputy's files
Files of Industrial Relations Committee of the Shipbuilding and Shiprepairing Industry, now located in Section 2, Assistant Deputy's office.
Volumes I-II in the Code Record Section Safe, are bound together.
Volume III, the open hearings of July 19, 20, and 21, 1935, are marked respectively Volumes I_II-III and the pages are consecutively numbered. However, the file in the Code Record Library is composed of the releases, and the page numbers do not coincide with the originals in the Code Record Section Safe. The references in this History refer to the file of the Code Record Library as these may be taken out and are open to all. There is set forth hereafter a table as a guide for comparative page numbers.

Volume III - Hearings on July 19, 20, 21, 1933, Hearings on Proposed Code

	Code Record Library		Code Record Safe	Deputy's Files
July 19				
Morning Session	Sec. 1 To Page 1	Sec. 5 Page 78	Pages 1 to 110	The Deputy's files are the same as the Code Record Library, except for Sec. 1, which was typewritten on 8 pages instead of being Sec. 1, which contains 17 pages.
Afternoon Session	Sec. 6 To Page 79	Sec. 8 Page 120	Pages 111 to 226	
July 20				
Morning Session	Sec. 12 To Page 121	Sec. 14 Page 173	Pages 227 to 309	
Afternoon Session	Sec. 15 To Page 174	Sec. 19 Page 244	Pages 310 to 411	
July 21				
Morning Session	Sec. 101 To Page 1000	Sec. 104 Page 1057	Pages 412 to 502	

The general subjects of the Code as printed were not named as "sections" or "parts", or in any other way. As a result some amendments, exemptions, and official documents termed these subjects as "Sections" and others as "Parts". For instance, this difference is noted as between Amendment No. 1 and Amendment No. 3 and in many other official documents. (Ref. Exhibit A, Appx.)

A. Definition of the Industry

The definition as of May 26, 1935, was as provided in Amendment No. 2, approved March 29, 1934, Administrative Order 2-9, signed by Hugh S. Johnson, which reads as follows: (Ref. Code Record Section and Exh. A, Appx.)

"A. The term 'Shipbuilding and Shiprepairing Industry' means:

1. The building, fabricating, repairing, reconstructing, remodeling and assembling of all vessels and floating marine equipment except:
   (a) Wooden boats and vessels and wooden floating marine equipment.
   (b) Pleasure boats and yachts, both wooden and/or metal up to and including one hundred and fifty (150) feet in length over all.

2. The building within shipbuilding and shiprepairing plants of machinery, equipment and other ship's parts."

The definition originally submitted in the proposed Code of July 10, 1933, paragraph 2 reads as follows: (Ref. Volume A, Code Record Section and Exh. B 1, Appx.)

> "The terms 'Shipbuilder' and 'Shiprepairer', when used in this Code, includes a person, partnership or corporation engaged in the business of building, fabricating, repairing, reconstructing, remodeling, and assembling oceangoing, harbor and inland water-way vessels and floating marine equipment of every type above ten tons, including the building within their plants of machinery, equipment and other ship's parts."

The definition as submitted in the revised Code the last day of the open hearing, July 21, 1933, part 1 read the same as when originally submitted July 10, 1933. (Ref. Vol. III, Code Record Library, Page 1022)

The definition as provided in the Code approved July 26, 1933, read the same as originally submitted July 10, 1933. (Ref. Vol. I Code Record Safe and Exh. A, Appx.)

The definition of the Industry and the Members of the Industry was contained in the one paragraph quoted from the Code as submitted July 10, 1933, and as approved July 26, 1933. The definition of the Industry in this Provision was by inference only. However, the situation was corrected in Amendment No. 2, heretofore quoted.

1. Principal products

Naval vessels of war, Atlantic liners suitable to convert to auxiliary cruisers in time of war, commercial passenger ships, commercial cargo and passenger ships, commercial cargo ships (including tankers), steel bay, river, and harbor steamers and motor vessels, steel yachts above 150 feet, steel barges, steel car floats, steel lighters and steel dredges.

2. Products also under other Codes

Shipbuilding and Shiprepairing companies generally confine their operations to vessel work, but occasionally take contracts that require the use of some of the large tools of the shipyards.

B. Definition of the Industry Member

The definition as of May 26, 1935, was as provided in Amendment No. 2, approved March 29, 1934, Administrative Order 2-9, signed by Hugh S. Johnson, which reads as follows: (Ref. Code Record Section and Exh. A, Appx.)

"B. The term 'Member of the Industry' means any person, partnership, corporation, association, trust, trustee, or receiver engaged in the Shipbuilding and Shiprepairing Industry, either as an employer or on his or its own behalf.

The definition originally submitted in the proposed Code of July 10, 1933, paragraph 2 reads as follows: (Ref. Volume A, Code Record Section and Exh. B 1, Appx.)

"The terms 'Shipbuilder' and 'Shiprepairer', when used in this Code, includes a person, partnership or corporation engaged in the business of building, fabricating, repairing, reconstructing, remodeling, and assembling, oceangoing, harbor and inland water-way vessels and floating marine equipment of every type above ten tons, including the building within their plants of machinery, equipment and other ship's parts."

The definition as submitted in the revised Code the last day of the open hearing, July 21, 1933, part 1 read the same as when originally submitted July 10, 1933. (Ref. Vol. III, Code Record Library, Page 1022)

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The definition of the Industry and the Members of the Industry was contained in the one paragraph quoted from the Code as submitted July 10, 1933, and as approved July 26, 1933. However, the situation was corrected in Amendment No. 2, heretofore quoted.

1. Classes of Members

The Code, Part 3 (a) and (b) and as amended April 2, 1934, Amendment No. 3, (Ref. Exh. A, Appx.) differentiated as between Shipbuilding and Shiprepairing, in the Regulations of Hours of Work. The Code Committee also drew the same line in establishing their National, District, and Local Committees. Substantially all shipbuilding yards do both building and repair and many outright repair yards take an occasional new vessel to build. Therefore, there was no definite line of demarcation.

C. Statistics of the Industry

(a) Total annual sales - $172,473,000
(See page 9)

(b) No. of concerns - 234 (Ref. letter of June 11, 1935, from C.C. Kneer, Secy., Shipbuilding and Shiprepairing Industry Committee, to H. Newton Whittelsey, Asst. Dep. Admr., in Deputy's Files)

(c) Aggregate invested capital over $200,000,000 (Ref. Exh. S-2, Appx.)
(d) Aggregate production capacity est. $500,000,000 (See page 8)
(e) Aggregate number of employees and weekly payrolls are set forth below.
(f) Net sales - $172,473,00 (See page 9)
(g) List of Members of the Industry (See Exh. H, Appx.)

Year Month	Number of Employees	Weekly Pay Rolls
1933 - July	28,432	$ 560,340
1934 - January	35,034	745,654
July	37,645	860,132
1935 - January	37,155	869,414
April	40,582	959,140
July	38,787	918,918
August	39,386	951,405
September	41,398	1,014,832
October	43,411	1,089,088

(Ref. letters of June 11 and December 3, 1935, from Isador Lubin, Commissioner of Labor Statistics to H. Newton Whittelsey, Assistant Deputy Administrator, Deputy's Files)

Number of Employees (continued)

Year	Number
1914	44,481
1919	387,446
1921	106,445
1923	62,287
1925	50,224
1927	55,014
1929	55,089
1931	45,100

Reference formal statement of Joseph S. McDonagh, Page 4 , Volume B, Code Record Section (from census of manufacturers).

Employment and Pay Rolls of Employees Engaged in the Construction of Naval Vessels in Federal Navy Yards

Year and Month	Number of Wage Earners	Monthly Pay Rolls
1933 - July	255	$25,770
1934 - January	2,393	278,434
July	8,992	1,173,992
1935 - January	11,691	1,815,099
April	13,432	1,994,336
July	19,988	2,683,142
August	21,953	2,939,253
September	22,345	2,825,561
October	24,690	3,571,806

(Ref. letters of June 11 and December 3, 1935, from Isador Lubin, Commissioner of Labor Statistics to H. Newton Whittelsey, Assistant Deputy Administrator, Deputy's Files)

This estimate by the author of $500,000,000 aggregate capacity shown on page 3 c is based on the following: 86,000 employment for the 93 steel coastal ways now available is taken from the proportion of employment to the ways used in 1919, this is multiplied by the value of products per employee ($4200.00), which gives $360,000,000 (value of product). To this is added $90,000,000 current repair value (based on the 1933 figures), plus the Great Lakes capacity taken at $50,000,000 for the present equipment. See page 9 hereof and exhibit S-2, and the remarks of the Chairman of the National Council of American Shipbuilders in Exhibit S-2. Under more normal conditions than held in 1919 there would be a larger proportion of passenger-freight tonnage built which would tend to substantially increase employment per shipbuilding ways used and thereby tend to increase the foregoing estimate.

WAGES - VALUE OF PRODUCTS, ETC.

Year	Wage Earners	Wages	Cost of Materials	Value of Products	Value Added by Manufacturer (f)	Value of Products Per Wage Earner Employed (g)
(a). 1929	55,089	$88,274,000	$85,848,000	$231,848,000	$145,451,000	$4,200 (d)
(a) 1931	45,262	62,028,000	72,328,000	186,993,000	114,671,000	4,125 (d)
(a) 1933	30,885	33,890,000	31,172,000	92,696,000	61,524,000	3,000 (d)
1935	40,582 (b)	49,858,000(c)	50,000,000(e)	172,473,000(e)	122,473,000 (e)	4,250 (e)

(a). Reference Census of Manufacturers, Dept. of Commerce, Statistics Folder, Deputy's Files.

(b). Reference Isador Lubin, Commissioner of Labor Statistics, Labor Folder, Deputy's Files.

(c). Reference Weekly payroll April 1935, $959,140 from Isador Lubin multiplied by 52 weeks (Labor Folder Deputy's Files).

(d). Calculated by the author.

(e). Estimated by the author.

(f). Includes both Shipbuilding and Shiprepairing.

(g). During the years 1929 and 1931 there was considerable passenger-cargo shipbuilding, as well as repair work, which is reflected in this item.
During 1933 there was little new building on the ways so that the value of products was principally for repair work, which is reflected in this item.
During 1935 the new Navy program is on the ways and the repair work continues, which is reflected in this item estimated by the author. The figure may prove too low as an extraordinary amount of technical and skilled work is necessary for Naval ships.

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HOURS AND WAGES IN SHIPBUILDING vs. GENERAL MANUFACTURING DURING 1933 AND 1934

Month	Average Hours Per Week Per Employee		Average Hourly Rate Per Employee		Average Weekly Earnings Per Employee	
	Ship Building	General Mfg.	Ship Building	General Mfg.	Ship Building	General Mfg.
Jan. 1933	29.7	37.5	$0.598	$0.427	$17.76	$16.01
Feb.	29.5	38.2	.612	.437	18.05	16.69
Mar.	30.2	36.5	.583	.432	17.61	15.77
Apr.	31.5	38.0	.562	.429	17.70	16.30
May.	32.7	40.8	.563	.420	18.41	17.14
June	31.2	42.6	.555	.418	17.32	17.81
July	33.6	42.3	.564	.427	18.95	18.06
Aug.	30.5	38.6	.613	.483	18.70	18.65
Sept.	29.7	36.1	.663	.516	19.69	18.63
Oct.	30.5	35.7	.668	.517	20.37	18.46
Nov.	29.5	34.4	.676	.523	19.94	17.99
Dec.	31.2	34.2	.651	.526	20.31	17.99
Jan. 1934	30.1	33.7	.696	.533	20.95	17.96
Feb.	30.4	35.8	.699	.531	21.25	19.00
Mar.	31.0	36.3	.702	.531	21.76	19.27
Apr.	31.2	36.2	.695	.541	21.68	19.58
May	32.2	35.4	.736	.551	23.70	19.51
June	31.3	34.9	.722	.550	22.60	19.20
July	31.6	33.4	.741	.556	23.42	18.57
Aug.	31.3	33.9	.739	.557	23.13	18.88
Sept.	30.5	33.3	.748	.559	22.81	18.61
Oct.	30.1	34.5	.771	.554	23.21	19.11
Nov.	30.4	34.1	.741	.554	22.53	18.89
Dec.	30.5	35.2	.756	.560	23.06	19.71

(Source: Bureau Of Labor Statistics, Department Of Labor)

2752

MERCHANT VESSELS UNDER CONSTRUCTION IN PRINCIPAL MARITIME COUNTRIES THROUGHOUT THE WORLD

Vessels of 100 Gross Tons Or Over, The Keels Of Which Have Actually Been Laid Prior To The Respective Dates

(Figures Are In Gross Tons)

Date	UNITED STATES	Great Britain & Ireland	Germany	France	Italy	Japan	WORLD TOTAL*
Mar. 31, 1930	222,974	1,614,993	231,162	182,930	144,358	167,055	3,265,959
June 30, 1930	238,163	1,392,063	237,468	186,960	143,607	121,607	3,057,735
Sept.30, 1930	212,974	1,116,746	194,200	209,307	188,384	104,250	2,569,036
Dec. 31, 1930	232,030	908,902	218,215	174,215	179,677	86,060	2,326,086
Mar. 31, 1931	231,003	693,814	135,951	232,115	174,452	57,200	1,999,866
June 30, 1931	301,439	555,603	130,651	211,940	170,658	46,269	1,825,927
Sept.30 1931	261,364	417,385	113,468	169,720	159,147	32,620	1,531,120
Dec. 31, 1931	207,837	400,505	103,981	164,440	178,287	53,280	1,403,795
Mar. 31, 1932	206,703	372,973	103,885	156,760	181,821	45,770	1,297,963
June 30, 1932	162,203	230,692	103,500	128,128	180,565	43,669	1,109,773
Sept.30, 1932	124,703	238,433	80,770	109,285	127,969	46,441	991,067
Dec. 31, 1932	59,628	225,497	80,310	101,675	59,113	63,345	765,720
Mar. 31, 1933	31,128	252,401	52,565	97,489	59,098	55,570	740,944
June 30, 1933	3,038	287,502	49,855	92,406	27,076	82,280	732,495
Sept.30, 1933	14,654	303,762	30,300	95,838	27,076	85,570	756,752
Dec. 31, 1933	12,373	331,541	22,510	90,656	11,200	106,760	757,277
Mar. 31, 1934	27,334	481,440	82,650	103,188	47,670	122,590	1,079,171
June 30, 1934	27,581	587,142	91,145	104,500	47,670	137,280	1,216,340
Sept.30, 1934	22,225	604,296	120,816	120,868	37,970	149,750	1,311,387
Dec. 31, 1934	20,103	596,834	139,611	120,952	37,000	104,640	1,251,722

(*)-"World Total" includes other countries in addition to the six listed in this table.

(Source: Lloyd's Register Of Shipping)

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GROWTH OF FOREIGN TRADE OF THE UNITED STATES SINCE 1920

(Values in Millions Of Dollars)

Calendar Year	Total Foreign Trade Including Re-Exports	Waterborne Foreign Trade: Value Including Re-Exports	Waterborne Foreign Trade: Volume Tons Of 2240 Pounds	Foreign Trade Carried In American Vessels: Value Including Re-Exports	Foreign Trade Carried In American Vessels: Volume Tons Of 2240 Pounds	Percent of Total Foreign Trade By Value	Percent Of Waterborne Foreign Trade By Value	Percent Of Waterborne Foreign Trade By Volume
1921	$6,994	$6,075	81,824,834	$2,167	42,012,295	31.0	35.7	51.4
1922	6,945	5,985	87,183,756	2,183	44,783,045	31.5	36.6	51.4
1923	7,960	6,850	92,375,652	2,398	38,972,656	30.1	35.0	42.2
1924	8,201	7,155	93,160,418	2,544	40,609,591	31.0	35.6	43.6
1925	9,137	7,940	92,801,653	2,624	36,931,318	28.8	33.1	39.8
1926	9,240	7,941	112,825,756	2,596	38,227,235	28.1	32.7	34.0
1927	9,050	7,759	99,118,432	2,649	40,153,214	29.3	34.1	40.5
1928	9,219	7,827	106,224,826	2,605	43,474,755	28.3	33.3	40.8
1929	9,641	8,129	108,460,581	2,692	43,152,476	28.0	33.1	39.8
1930	6,904	5,803	97,293,286	2,014	39,736,158	29.1	34.7	40.8
1931	4,514	3,871	75,913,532	1,351	28,182,458	30.0	34.9	37.1
1932	2,935	2,549	60,554,846	907	21,471,388	30.9	35.6	35.5
1933	3,125	2,758	58,952,517	976	19,372,371	31.1	35.4	32.9

(Source: United States Department of Commerce)

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II. History of code formulation.

A. The sponsoring organizations were as follows:

1. The National Council of American Shipbuilders, composed of the major shipbuilding and shiprepairing yards of the country, formed 1921. A list of representative members included in the membership is contained in Volume A, page 1, filed in the Code Record Section. The National Council of American Shipbuilders claimed to include in its membership not less than 90% of the productive shipbuilding capacity of the shipyards situated on the Atlantic, Gulf and Pacific Coasts and own a substantial percentage of the capacity of the shiprepairing yards on those coasts; (Ref. Vol. III of Hearing July 19, 1933, page 12, filed in Code Record Library) and

New York and New Jersey Dry Dock Association, formed 1906. A list of representative members included in the membership is given on page 2, Volume A, filed in Code Record Section; and

Pacific Dry Dock Association, formed 1923, a list of whose representative members is contained on page 2, Volume A, filed in Code Record Section. Pacific Coast Dry Dock Association claimed to include in its membership companies that owned not less than 90% of the productive shipbuilding and shiprepairing capacity of the shipyards situated on the Pacific Coast. (Ref. page 12, Vol. III of the Hearing July 19, 1933, filed in Code Record Library.) (Certain large shipbuilding corporations are members of the National Council of American Shipbuilders, such as the Bethlehem Shipbuilding Company, Todd Shipbuilding and Dry Dock Company, have plants on the Pacific Coast and are members of the Pacific Coast Dry Dock Association); and

The representative shipyards of the Gulf Coast, which are likewise set forth on page 2, Volume A; and

The shipbuilding and shiprepairing companies on the Great Lakes were represented during the drafting of the Code and expressed themselves as seeing no objection to it; (Ref. page 3, Vol. A on file in Code Record Section) and

The shipbuilding and shiprepairing companies on the Mississippi River and its tributaries were represented during the preparation of the Code and the Code was submitted to their entire group June 29, 1933, at a meeting in Pittsburgh. Mr. H. G. Smith, was assured that the Code was in general satisfactory to them. (Ref. page 3, Vol. A on file in Code Record Section)

The sponsoring authorities represented 80% of the employment of the Industry over the past five years. (Ref. page 3, Vol. A on file in Code Record Section) (It is pointed out that the 90% productive capacity claimed by the National Council of American Shipbuilders and also the Pacific Dry Dock Association had special reference to shipbuilding capacity and its substantial percentage of shiprepairing capacity. However, there are large numbers of small shiprepairing yards, not members of any trade association, that it was impractical, in the time available, to bring into this matter. Therefore, representation of only 80% of the Industry as a whole was claimed.

Formulation code meetings - No definite information can be found in files, except for the meeting, heretofore cited, at Pittsburgh on June 29, as to date, time and place of meeting of the respective trade associations. It is known that such meetings were held by the National Council of American Shipbuilders, the New York and New Jersey Dry Dock Association, the Pacific Coast Dry Dock Association and others of interest. However, the authorization to present the Code consisted of individual letters from the major shipbuilding and shiprepairing companies of the country and, therefore, formal resolutions of authorization from these associations were not necessary.

2. Officers, code committees, interested groups.

The Code Committee consisted of H. Gerrish Smith, President of the National Council of American Shipbuilders, Room 661, 11 Broadway, New York; Joseph Hagg, Jr., President, Todd Dry Dock Engineering and Repairing Corp., Room 1100, 25 Broadway, New York; James E. Barnes, Southern Building, Washington, D. C.

This Committee was duly authorized and submitted proof of authority by individual letters from the major shipbuilding and shiprepairing companies, which are listed as follows: (Ref. Vol. II, Code Record Safe and page 1, Vol. A. Code Record Section)

Proofs of authority

B. F. Campbell, Assistant to the President,
Alabama Dry Dock & Shipbuilding Company
W. S. Newell, President,
Bath Iron Works Corporation
S. W. Wakeman, Vice-President,
Bethlehem Shipbuilding Corporation, Ltd.
L. Y. Spear, Vice-President,
Electric Boat Company
Warren Johnson, President,
Johnson Iron Works, Dry Dock and Shipbuilding Co.
J. Watt, Vice-President & General Manager,
Kensington Shipyard & Drydock Corporation
H. F. Brown, President & General Manager,
Maryland Dry Dock Company, Inc.
Roger Williams, Vice-President,
Newport News Shipbuilding and Dry Dock Co.
C. L. Bardo, President,
The New York Shipbuilding Company
C. S. Rogers, Vice-President,
Norfolk Shipbuilding & Dry Dock Corporation
C. Stewart Lee, Vice-President,
The Pusey & Jones Corporation
Robert Haig, Vice-President,
Sun Shipbuilding and Dry Dock Company
John P. McDonough, Vice President,
Galveston Dry Dock and Construction Company

Proofs of authority (Cont'd)

Francis S. Bushey, President,
New York and New Jersey Dry Dock Association
John D. Reilly, President,
Todd Shipyards Corporation
*J. H. Orndoff, President
Federal Shipbuilding and Dry Dock Company
John T. Greany, Secretary,
Pacific Coast Dry Dock Association
Angus Marshall, President,
Pennsylvania Shipyards, Inc.
James C. Merrill, Vice-President & General Manager,
Merrill, Stevens Dry Dock & Repair Company

* This letter is found in Volume II, Code Record Safe, but the name was omitted in the list given in Volume A.

B. From submission of first draft code to public hearing.

The Code was submitted by the Code Committee, July 10th, 1933, by letter addressed to Hon. Hugh S. Johnson, Administrator. (Ref. Vol. II, Code Record Safe, and pages 1 to 6, Vol. A, filed in Code Record Section)

1. Brief summary of conferences and negotiations.

While conferences were held no definite record can be found in the files.

C. Public hearings on Code.

1. Dates, major personnel; results.

Public hearings on the Code began July 19, 1933 and continued through the second and third day, July 20, 21. Deputy Administrator A. D. Whiteside, with General Hugh S. Johnson, Administrator, present, opened the hearings at 10:30 a.m., July 19, 1933, in the Auditorium of the Department of Commerce Building, Washington, D. C. (Ref. Vol. III, Code Record Safe, numbered I, II and III, and Vol. III, Code Record Library consisting of the releases on the hearing. Ref. hereinafter to these hearings are by page numbers from the Code Record Library file. Comparison table is hereinbefore set forth on page 2 of this History as between the file in the Code Record Safe and the Code Record Library)

Speakers at the Hearings. (Ref. Vol. I, Code Record Safe)

H. G. Smith, President of National Council of American Shipbuilders
Homer T. Ferguson, President of the Newport News Shipbuilding & Dry Dock Co.
Lawrence Y. Spear, Vice President, Electrical Boat Company
W. H. Gerhauser, President of the American Shipbuilding Co. representing the Great Lakes District
Clinton L. Bardo, President of the New York Shipbuilding Co.
Joseph A. Franklin, Metal Trades
J. N. Davis, International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America
Charles W. Wilkerson, International Holders Union of North America
James S. Mc Donough (See Joseph S. Mc Donagh) International Brotherhood of Electrical Workers
M. F. Garrett, United Association of Journeymen, Plumbers & Steamfitters of the United States & Canada
John P. Coyne, Vice-President, International Union of Operations Engineers
Harry J. Carr, International Association of Machinists.
John P. Frey, Metal Trades
Thomas A. Wood, International Association of Bridge, Structural & Ornamental Iron Workers
Rear Admiral E. S. Land, (CC) U. S. N., Chief Constructor of the Navy
Captain H. L. Wyman, (CC) U. S. N., From the Office of the Assistant Secretary of Navy

George E. Powers, Steel & Metal Workers Industrial Union
Joseph V. Moreschi, President, International Hod Carriers Bldg. & Common Laborers Union of North America
T. F. Belmoy, Acting President Pattern Makers League of North America
J. W. Mullin, Rep. Labor, N. Y. Shipbuilding Co., Camden
W. G. Mc Dermott, Chairman Workers Fore River Plant of Bethlehem Shipbuilding Corporation, Quincy, Massachusetts
Josiah T. Newcomb, Gulf Industries, Inc.
Robert W. Malone, Galveston Dry Dock & Construction Co.
Hon. Millard F. Caldwell, Representative in Congress from State of Florida
John E. Craig, First Vice President, Clyde-Mallory Lines
Roger B. Siddall, American Steamship Owners Association
Joseph S. Mc Donagh, International Brotherhood of Electrical Workers
John A. Mc Namara, Firemen & Oilers
Captain Williams, (CC) U. S. N., Navy Department
Admiral Cone, U. S. Shipping Board
John W. Garvy, International Hod Carriers Bldg. & Common Laborers Union of North America

Mr. Whiteside remarked that there was one peculiar characteristic that he noted in the group connected with shipbuilding in the preparation of the Code and that was, men who had been in industry all their lives and confined to a certain viewpoint have a difficult time in getting away from those conditions and seeing the future and the relationship with each other and with related industries and the related standpoint. Further, the Shipbuilding and Shiprepairing Industry is so peculiar in that it does not lend itself to mass production.

General Johnson remarked this hearing has become something of an emergency because of the situation created by the Naval program which is being dumped into the laps of the Shipbuilding Industry and which will result in activity very much greater than was to be anticipated two or three months ago.

Deputy Whiteside: First in order is to have a statement of the method of procedure, which is directly following the lines which Mr. Donald Richberg read at the Textile hearing. Mr. Ludlum read the statement. Reference Volume III, pages 4-7 inclusive.

Mr. H. Gerrish Smith, President, National Council of American Shipbuilders, presented and read the revised code and in the presentation made a general statement on American shipbuilding and shiprepairing of which the following is an excerpt. References, Volume III, pages 8 to 22 Inclusive.

"In the first place, shipbuilding is not a manufacturing industry within the usual definition of that term. Ships are not kept in stock by shipbuilding companies and, therefore, are not commodities that are sold over the counter. The construction of a ship is always the subject of contract, and usually it is designed for the specific service. The shipbuilding yards construct both merchant vessels, naval vessels and other government vessels -- the first for the transportation of persons and commodities in domestic and foreign commerce, and the others as one of the chief means of National defense. The construction of a ship is always, as I said, the subject of a contract, and usually it is designed for a specific purpose, and it is rare that a ship of any size can be

constructed in less than a year, and if it is a complicated design and for passengers, it may take two years -- if it is a Naval vessel, it will take three or three and a half years.

"The transportation of passengers and commodities in our foreign and domestic trade by our merchant ships is a public service upon which, in a large measure, the commerce of the entire nation depends, and such ships are therefore charged with a public interest.

"American shipyards equipped to build merchant vessels are necessary to establish and maintain a self-contained, adequate and efficient merchant marine, and their operation enables our country to keep abreast of the developments of marine engineering that is continuously in progress throughout the world. Thus, in the performance of this service, our shipyards, like our merchant ships, perform a public service and are therefore charged with a public interest.

"Congress has recognized the interest of the public in merchant ships and shipyards, by enacting laws under which compensation is paid to American ship owners for the carriage of mail, and a fund has been created from which loans are made to such owners at a low rate of interest for the construction of ships. This legislation enables an American ship owner to have his ships built in American shipyards, and to operate them in foreign trade in competition with owners of ships constructed at a far less cost in foreign shipyards.

"I might say that it is only by such means that they could build any American shipyards. (ships)

"The ship repairing industry performs a function as essential in the shipping world as that required of shipbuilding. It represents in the United States a capital investment in plant and equipment about equal in value to the capital expenditure to establish the shipbuilding industry, and requires, on an average, substantially the same number of workmen as are employed in building merchant ships. Ship repairing yards are equipped with dry docks and modern machinery manned with staffs of technical engineers and forces of experienced mechanics that make possible the repairing or reconditioning of ships of all types with expedition and skill. These ship repairing yards sell only 'service', a service that enables ships to sail on their schedule time in the world commerce, and thereby these yards form an essential unit of our merchant marine. Substantially all of the work performed by ship repairing yards is emergency work, the time of performance of which cannot be determined with the same percision as that of shipbuilding, and, as a consequence, the hours of work and the number of employees are not as stable in repairing ships as in building them.

"Thus it appears that shipbuilding, ship operating and ship repairing constitute the three units that make a complete and self-sustained merchant marine and the operation of each unit is interdependent upon the others.

"The United States by means of legislation has laid the foundation on

which our merchant marine has been created and it must be jealously guarded against any conditions that will prevent its future development. Having this thought in mind, framers of the code approached its preparation with a sincere desire to cooperate with you in accomplishing the purposes of the National Industrial Recovery Act, but at the same time, they were apprehensive of the effect that any increase in the cost of building or repairing merchant ships may have on our merchant marine.

"A merchant ship has a life of approximately 20 years and the cost of its construction is a capital charge against the company that operates it. Consequently, its operation during the entire period of its service carries charges for insurance, depreciation and interest on investment, which are determined by its first cost, and therefore any increase in such cost establishes a permanent additional and continuing charge for operation during the period of its service.

"When an American-built ship engages in domestic trade, any additional expense of operation due to its cost of construction can only be absorbed by an increase in passenger and freight rates which must be continued throughout its entire life in order to preserve its earning capacity.

"And the methods of transportation are so numerous that a raise in these rates may seriously affect its competitive situation.

"When an American-built ship engages in foreign trade, however, it competes with the vessels of foreign nations constructed and operated at less cost. It cannot increase its passenger and freight rates beyond those charged by foreign lines without losing business, so that an increase in the cost of construction of a ship imposes a handicap upon the ship owner in foreign trade over which he has no control, and which continues for the life of the ship.

"There are at the present time several hundred American vessels which were built in American yards and are now engaged in the foreign trade of the United States.

"Those are largely vessels built during the war time and some of them since.

"Any increase in the cost of repairing them imposes an additional handicap on them while competing with foreign vessels.

"If, during its operation, the National Industrial Recovery Act should impose any substantial increase in the cost of constructing merchant ships in domestic shipyards for our foreign trade, or substantially increase the cost of repairing them, it might result in a complete suspension of construction of ships for this trade and defer the making of necessary major repairs to or the reconditioning of, ships now in service.

"All of these subjects involve seriously the maintenance and operation of our merchant marine and, as I have already stated, they have been constantly before those who participated in the preparation of the code.

"The tonnage of merchant ships in the course of construction is lower now than at any other time during the past ten years.

"The industry is at an extremely low ebb, both in ship building and in repair. On the repair side, it is affected by the general conditions in shipping which have been affected by the generally depressing conditions of business. And on the merchant side, the volume under way is therefore small.

"The industry feels that the wage provisions in the code to increase minimum wages will accomplish the purpose of the Act without causing any substantial increase in the cost of constructing and repairing merchant ships to a degree that will work a hardship on American owners.

"Other conditions of the code will not interfere with increasing employment. However, if wages are increased beyond the provisions of the code, the tendency will be to decrease the volume of merchant ship work, and, thereby decrease rather than increase employment.

"The Code provides for a basic working week of 40 hours determined on an average time of employment over a period of six months. The industry, ship repairing in particular, is of a character where there is a considerable amount of work of an emergency or special type, on which only one shift can work, and it is necessary either to work occasionally for longer hours or to seriously delay the progress of the work as a whole. While in general the hours per week will not exceed 40, the code guarantees that over a period of six months the average employment per week per employee shall not exceed 40.

"The proposed naval construction program, as authorized by the Public Works Section of the National Industrial Recovery Act, will provide at the peak of such construction (on the basis of forty hours a week) a volume of work for the ship-building yards that will require employment of workmen in private yards and navy yards combined about fifteen (15) per cent in excess of that which has prevailed at any time during the last ten (10) years. This program of naval construction, however, while benefiting the shipbuilding yards will not be of any advantage to those yards engaged wholly in ship repairing.

"The expedition with which work on this naval program will be carried on depends upon the ability to prepare plans, order materials and carry out work in the mold loft and completion of this preliminary work determines the time when workmen can start upon the actual construction of the ship. We have, therefore, provided in the code that the limitation as to working hours on such preliminary work be waived for a period of six (6) months after the award of a naval contract.

"As affecting employment there is probably no industry more general in its demands on other industries than shipbuilding. Approximately one-half of the total cost of a ship is involved in the cost of the materials and equipment used in its construction. Every state and almost every industry contributes, directly or indirectly, to the production of materials used in shipbuilding. It gives, therefore, an extremely broad distribution of work.

"And any curtailment would likewise broadly affect the industries of the entire country.

"It is estimated that in the cost of a ship at least 85 per cent of it is expended for labor.

"They do both shipbuilding and ship repairing in the same yard. Different shipbuilding and ship repairing yards are located in the same community. They are located in the same community as naval yards and therefore are in competition with them in securing labor, and all of those matters have to be taken into account in establishing the wages of the employment, and because of this variety of work in the same yard, it is of course impracticable to have more than one scale of wages. It cannot be different for merchant work than it is for government work, or for repairing a merchant ship without very seriously disturbing the organization of the yard or affecting the cost of construction.

"In determining the minimum wage rates to be fixed by the Code, consideration has been given to the fact that substantial differences now exist in the minimum wage rates paid in different districts of the United States, although the wage rates of skilled and semi-skilled labor in the various sections are reasonably uniform.

"In establishing the minimum wage for merchant shipbuilding, naval shipbuilding and for repair work in the same localities, your attention is directed to the fact that shipbuilding plants do both commercial and government work; they do both shipbuilding and ship repairing while several of the plants are essentially ship repairing also do some in shipbuilding; that shipbuilding for naval and commercial work and ship repairing are carried on in the same plant and that where this is not done shipbuilding and ship repairing plants exist in the same community; that there are in the same communities government yards that do shipbuilding and ship repairing; and that in establishing a minimum wage, therefore, it is very essential that the rate of wages and the hours of labor in any shipyard must be the same for both commercial and government work, and for shipbuilding and ship repairing; otherwise confusion, dissatisfaction and disintegration will arise among their working forces.

"The code fixes a minimum wage rate of 35 cents an hour in the South and 40 cents an hour in the North for labor, except for apprentices, learners and casual and incidental employees. The code provides that no minors shall be employed in the industry after the acceptance of this code, and provides that apprentices and learners shall receive no less than the minimum wage after two years of employment. Casual and incidental employees in a shipyard perform a considerable amount of work of varied character and, in order that the code may fix definitely the number of such employees and their compensation, it provides that they shall be paid not less than 80 per cent of the minimum wage of unskilled workmen with the understanding that the total number of them in any one calendar month shall not exceed eight per cent of the number of skilled and semi-skilled workmen during the same month.

"Unskilled labor in the shipbuilding and ship repairing industries is almost wholly of the common labor type and is utilized only to a very

limited degree on productive work.

"The actual work of making the repairs on ships and of building ships is carried on by a great number of trades which exceed forty in well defined trades, and in which you might employ a few men in one and a great many in others, and they vary through various classes of skilled and semi-skilled trades.

"In connection with the code, your attention is invited to the fact that there are long term contracts now being performed in five of the shipyards of the United States for the construction of naval vessels. The unexpended balance of the estimated cost of these contracts amounted to approximately $19,000,000 on July 1st of this year. Any increase in wages or increase in material prices resulting from the operation of the National Industrial Recovery Act will impose upon the builders of these vessels a considerable increase in cost, for which some method of protection for them should be provided, otherwise they will sustain a substantial loss. We urge the administration to protect us against loss on these contracts and for this purpose have inserted a protective clause in the code similar to that included in the Textile Code covering the same subject.

"Some of these ships were contracted for last year and I think one or two of them as far back as 1931, may be a little farther back. They are long time contracts extending from beginning to end over a period of three years. I think one of them is three and a half and some of the others two and a half.

"We have, therefore, written into the code which I have read, to the effect of asking for protection on those contracts, and we urge the administration to protect us against losses on them, and it is for that purpose we have inserted the clause in the code.

"The code also contains a paragraph stating that it will be considered a violation of the code to make any material increase in the plant capacity of the industry during the life of the National Industrial Recovery Act. The reason for this is due to the excessive facilities now existing in both the shipbuilding and ship repairing industries. Mr. C. L. Bardo, president of the New York Shipbuilding Company will present to you a statement upon this subject.

"Mr. Homer L. Ferguson, president of the Newport News Shipbuilding and Dry Dock Company will discuss the subject of wages as provided in the code.

"Mr. Lawrence Y. Spear, vice president of the Electric Boat Company will discuss the hours of employment as provided in the code.

"Mr. W. H. Gerhauser, president of the Great Lakes Shipbuilding Company will also discuss the question of hours as applicable to Great Lakes shipbuilding and ship repairing yards.

"Mr. John E. Craig, First Vice President of the Clyde-Mallory Lines, will speak on behalf of the American Steamship Owners Association."

Mr. Homer L. Ferguson on behalf of the Newport News Shipbuilding and Dry Dock Company. Reference, pages 28 to 45. Hearing July 19, 1933, filed in Code Record Section. Briefs from his statement.

I beg to present three charts which have been prepared from data submitted by members of the Industry who are grouped together under this proposed code. (See Exhibit G)

The first chart shows that the employment in the Shipbuilding and Shiprepairing Industry is approximately 50 to 52 per cent skilled, about 30 per cent semi-skilled and the balance unskilled (about 20 per cent). The employment chart indicates that the peak of employment in the Shipbuilding Industry was in 1930.

The second chart contains information regarding classes of employment and average rates in ship yards. Chart shows skilled labor base rate from 1928 to 1931 approximately 70 cents, skilled labor earned rate about 77 or 78 cents, falling off at the present time to a base rate of about 65 cents and earned rate of about 67 or 68 cents. The base rate is the hourly rate, the earned rate is the rate the employee is actually paid as a result of some form of piece work or its equivalent.

Semi-skilled labor base rate for the period from 1928 to 1931 was approximately 48½ cents and the earned rate approximately 54 cents. Whereas the base rate for the semi-skilled labor for the six months just ended dropped to 44 cents and the earned rate to 47 cents.

Unskilled labor 1928 to 1931 base rates slightly under 40 cents and the earned rate about 42½ cents. At the present time the unskilled base rate is 36 cents and the earned rate is 38½ cents.

The last chart covers total earned wages. In 1926 averaged earned wage for all men was $29.65 per week; in 1927, $30.85. In 1928, $30.85; in 1929, $30.55; in 1930, $30.55; in 1931, $30.30. In 1932, $26.70; in 1933, $23.90.

The ship yards worked 45 and 44 hours a week and some cases 48 until last year when the hours were cut by the leading ship yards from 45 to 40 in order to spread employment. Repair plants worked 48 hours per week.

The minimum common labor rate of 30 cents per hour and the 40 hour per week would be better for southern yards. Wage rates in this Industry have only been cut 15 per cent.

Mr. Lawrence Y. Spear, Vice President of the Electric Boat Company "Hours of employment". Reference, hearing July 19, page 46-66 inclusive. Briefs from his statement.

Employment in the Navy yards and private ship building and repair plants as follows: In 1929, 69,589; in 1930, 75,182; in 1931, 70,839; in 1932, 61,627. The private yard figures are based upon average employment in steady employment. The Navy yard figures include every

name on the payrolls during the year. Consequently, these figures have to be adjusted when you come to comparing what has happened with what will happen. For 1930 the adjusted figure is 69,830 which is the peak year of peace time employment.

Under the Act, operating on the 40 hour week basis, employment will reach 80,700 for a peak year such as the 1930 year of 69,830 (adjusted). The estimated spread of employment under the Act on a 40 hour basis will be about 15 per cent.

Ships are built and repaired by individual efforts of the workmen employed and not by a mechanical manufacturing process. Men who name one trade can only be employed economically in proportion to the job and yard facilities and space on the ship available and strict relation to the progress made by related trade. The greater part of the work must be carried on in open daylight hours and the whole Industry now operates 8 to 9 hours a day.

Returning to the matter as what would happen in the Industry if we endeavor to operate it on less than a 40 hour week, such as a 30 hour week and use a single shift of men, it would increase the time to complete the contracts about one-third as compared with the 40 hour week. Cost would be unnecessarily increased since the greater part of the overhead expense which constitutes 20 to 25 per cent of the total cost is proportionate to time. We would then not be employing any more men. Therefore, what I have to say about the 30 hour week is based upon the assumption that it must be a two shift operation insofar as practical in this Industry.

While theoretically a 30-hour week might be based on six days of 5 hours per day, it is believed that to attempt such operation would give rise to labor difficulties in shipbuilding, which is now operating on a 5-day week. The 6-day operation would also run counter to the modern tendency which looks towards two days of rest per week. In practice then, the 30-hour week would probably have to be based on a 6-hour day for five days. A rest period must be provided for, assuming one-half hour rest period in each shift, the plants would be required to operate 13 hours per day. These hours will be too long for the supervisory and other forces, therefore, these forces would have to be doubled. The supply of trained and experienced superintendents, foremen, etc. would be quite inadequate.

Again a certain amount of time in shipbuilding is necessarily lost in starting and stopping work. On an 8-hour day, this amounts to from 8 to 12 per cent of the paid time and on a 6-hour day it would rise to 11 to 17 per cent of the paid time.

During eight months daylight would be insufficient for efficient operation on a 13-hour day. Shop work could be carried on by artificial light. However, in case of work on a ship proper, the use of artificial light is strictly limited.

Many individual operations in the industry cannot be completed within a 6-hour period. Normal efficiency requires that each operation should

be carried through to conclusion by the individual or gang starting it. When work is turned over to a new individual or gang much time is lost on account of checking required, which will invariable increase cost on account of increased amount of paid hours required and the inevitable addition to spoiled work.

There will be an inadequate supply of skilled and experienced labor in many trades and the resulting dilution of labor, will necessarily again increase the number of hours required. In the war dilution of labor increased the labor hours required by 50 to 100 per cent and it also increased the percentage of spoiled work. It is impossible to foresee exactly what the combined effect of the above factors will be upon the number of productive labor hours required. Estimates by competent and experienced men run from 20 to 50 per cent. For the purpose of this paper the minimum figure of 20 per cent has been taken. Of the total labor involved, about 80 per cent is productive and 20 per cent nonproductive. In a two shift operation, the nonproductive labor would have to be increased by at least 70 per cent. The total minimum increase in labor hours then becomes 30 per cent made up of 16 per cent productive labor and 14 per cent nonproductive labor.

A reduction in the present hours to 30 hours per week without reduction in buying power of the labor involved, would necessitate the following increases in hourly wages:

Private shipbuilding, 33-1/3 per cent.
Navy Yards, 46-2/3 per cent.
Private repair work, 60 per cent.

Taking into account both the increased pay hours required and the increase in hourly wages, the minimum overall increase in the labor would be as follows:

Private shipbuilding, 73.3 per cent.
Navy Yards, 90.6 per cent.
Private repairs, 108.0 per cent.

In order to determine the effect of increased labor costs on the total costs, it is first necessary to break down the costs into material, labor and other charges. The weighted average for naval vessels will run about 46 per cent material, 44 per cent labor and 10 per cent other charges. The other charges referred to are depreciation, local taxes, plant insurance, rental, interest, etc.

Referring to the Navy Department, the corresponding navy yard figures are approximately 40 per cent material, 56 per cent labor and 4 per cent other charges. The weighted average cost breakdown is material 43.8 per cent, labor 48.5 per cent, other charges 7.7 per cent. On this basis, the total labor cost involved by the naval work in question at present hours and wages would be approximately $108,155,000 and the weighted average increase cost would be 79.7 per cent or $86,199,035. As the approximate total cost of the work at present wages and hours is $223,000,000, the 30-hour week would result in an increase in total cost of at least 38.7 per cent.

Analysis of the reports of the Paymaster General of the Navy for the fiscal years 1929 to 1932 indicates an average expenditure for Navy Yard labor, exclusive of new construction, of $44,281,902, which includes all Navy Yards except the gun factory at Washington. Increasing this by 90.6 per cent would increase the annual cost with the same work load by $40,119,400, amounting in three years to $120,358,200.

Average merchant shipbuilding costs breakdown to 45 per cent material, 45 per cent labor and 10 per cent other charges. Increasing the labor cost by 73.3 per cent, therefore, increases the total cost by 33 per cent.

Available data for the years 1931 and 1932 indicate the following approximate breakdown of private repair costs, material 43 per cent, labor 47 per cent, other charges 10 per cent. On this basis, increasing the labor cost by 108 per cent would increase the total cost of repairs by 50.4 per cent. It is the object of this paper to set forth as briefly as possible the facts supporting the following statements.

1. That the purposes of the National Recovery Act can and will be accomplished under the Code.

2. That a 30-hour week is not "practical and feasible".

3. That the reduction in hours below 40 per week would not be in the public interest.

While exact employment statistics are not available, the figures given below represent a close approximation to the truth:

TABLE I

	1928	1929	1930	1931	1932
Private yards direct employment	23550	26250	34000	29250	21500
Navy Yards direct employment	41453	43339	41182	41589	40127
Total direct employment	65003	69589	75182	70839	61627
Allied Industry employment	55253	59151	63903	60213	52417
Totals	120225	128740	139087	131052	114084

American Shipbuilders estimate that one man is employed in the allied industries for each man employed at the site.

Naval construction, excluding all vessels more than 60% completed on June 1, 1933, the following men will be required:

2 Airplane carriers (new)	4,800
8 Cruisers (5 new)	11,600
32 Leaders and destroyers (24 new)	14,700
4 Submarines (new)	2,000
2 Gun Boats (new)	1,000
Total	31,700

Mr. W. H. Gerhauser, President of the Great Lakes Shipbuilding and Repair Association and President of the American Shipbuilding Company. Subject, hours as applicable to Great Lakes Shipbuilding and Shiprepair Yards. Reference, hearing July 19, 1933, pages 66 to 73 inclusive. Briefs from his statement.

The Code as submitted provides for a uniform 40-hour week applicable to all work with minimum wages of 35¢ per hour in the South and 45¢ in the North. The purpose of this statement is to show the effect of these regulations on employment in the shipyards on the Great Lakes.

There are but four shipyards of consequence on the Great Lakes and these four yards also are equipped with drydocks and extensive repair facilities. In addition, there are five large repair yards equipped with drydocks, and about twenty smaller repair plants having no drydocks, but equipped to execute various classes of minor ship repairs. Due to severe winters, the navigating season on the Great Lakes is limited to about 7 months in the summer. Delays are costly and shipowners are obliged to limit repairs during the operating season to absolute emergencies.

In order that the time a damaged vessel is in drydock may be reduced to the minimum, it has long been the practice on the Great Lakes to work 9 or 9½ hours a day, and up to a total of 52 hours a week. Daylight hours must be utilized and it is essential in many cases that the same man complete the particular job on which he is working. It is evident, therefore, that a reduction to 40 hours per week on emergency repairs will work a decided hardship on the customer, the ship owner, and will necessarily increase the cost of repairs and will not increase total employment, since employment results primarily from accident. Any reduction in the number of working hours below 40 per week will still further aggravate these conditions.

Any large employment in the Industry on the Great Lakes must come from new construction. I believe it is conceded that a reduction in working hours to 40 per week will increase costs materially. The Lake Bulk Freight fleet now consists of 322 vessels of an average age of 24 years. By far the largest proportion of these ships were built at prices very much below even present day costs. To increase costs by the fixing of a 40-hour work week will reduce the possibility of any new construction to a minimum and and reduction below the 40 hours will preclude all possibility of any construction whatever of Lake vessels. Thus the very purpose of the Act, to increase employment, is automatically defeated.

The average employment in the four major shipbuilding companies and five strictly repair yards was as follows:

1928	2,680
1929	3,631
1930	3,275
1931	1,577
1932	886
1933	706

We would be perfectly willing to work not in excess of eight hours in the winter months with the privilege of working 9 hours without payment of overtime on repair work in the summer. We will work nine hours a day, a 40-hour week, staggering our employment.

Mr. John E. Craig, First Vice-President of the Clyde-Mallory Lines. Subject, American Steamship Owners Association. Reference, hearing July 19, 1933, pages 74 to 76 inclusive. Briefs from his statement.

The American Steamship Association represents the owners of the greater portion of ocean-going ships flying the American flag, both in the domestic and in the foreign trades. The Association believes that the provision of Section 3 of the Code, reducing the hours of employment in American shipyards to 40 hours a week, constitutes as great a reduction from the present basis of employment as can wisely be made, and that a reduction to less than 40 hours a week would result in decreasing employment, rather than increasing it, thus defeating the purpose of the National Industrial Recovery Act.

It is widely recognized that one of the fundamental causes of the depression has been that in many lines of industry there has been during the last decade an unparallelled technological development, which has tremendously increased the productivity of human labor, so that today many articles in general use, produced in large quantities, can be made with only a small fraction of the human labor which was necessary to make the same articles in 1920. This development necessarily involves among the workers employed in making these articles a change in habits of occupation, and the obvious remedy at the moment is to shorten the hours of the workers.

There has been no parallel in technological development in the shipbuilding industry. Each ship is specially designed and specially constructed, and there is no such thing as quantity production of ships. Also, the repairing of ships is an individual problem in each case, seldom repeated in identically the same way. Approximately 85 per cent of the cost of a ship goes to pay labor, and a ship built today substantially the same number of hours as one built in 1920. There has, therefore, in the course of the progress of shipbuilding since the War, been no problem of men being thrown out of work by the use of new machines, as there has in many other industries.

The problem in the shipbuilding industry is to increase the number of ships built and repaired. This can not be accomplished unless the shipping business itself is in a healthy condition. Shipping in all its phases is an extremely competitive business, probably the most competitive in the world. The ship owner can not pass on to shippers or passengers increased cost of construction or operation, because any increase in freight or passenger rates tends to divert traffic to other channels. This is especially true in the foreign trade.

At present in the American foreign trade approximately one-third of the cargo is carried by American flag vessels and two-thirds is carried by foreign flag vessels. American flag vessels have to be repaired in the United States because there is a protective tariff of 50 per cent, on ship repairs of American vessels made abroad. Foreign

competitors, on the other hand, do their repairing abroad, where the costs are much cheaper. Any substantial increase in the American owners' cost of repairs simply means that American vessels will find it increasingly difficult to compete in the foreign trade. This would not only result in making less work for the repair-yards in the United States, but it would also result in decreasing employment of American seamen and of all the multitude of American workmen in allied industries which furnish supplies and necessaries to American vessels, which foreign vessels buy abroad. And the American exporter would have more and more to rely on foreign tonnage to carry his goods to foreign markets, and the importer on foreign tonnage to bring his goods here.

The importance of American flag vessels to our foreign trade has been emphasized by prominent statesmen from the earliest times, and the far-reaching consequences of a decline in American flag ships can not be denied.

It is true that American flag ships engaged in foreign trade may be constructed abroad, but surely it would not serve the purposes of recovery to drive the American ship owners abroad for new construction.

The whole matter may, we think, be summed up by saying that, in our judgment, the best method of increasing employment is to encourage the construction and repair of many ships, rather than to try to make work for many people out of the construction and repair of a few ships.

Mr. C. L. Bardo, President, New York Shipbuilding Company. Subject, restriction of plant capacity. Reference, hearing July 19, 1933, pages 83 to 85 inclusive. Briefs from his statement.

"At the outbreak of the war in April, 1917, there were in the United States 37 shipyards with 162 ship ways capable of building steel ships, and 24 yards with ship ways capable of constructing wooden ships, both of 3500 tons dead weight, and over," making 61 shipyards with 234 shipbuilding ways. According to Mr. Piez, on March 31, 1919, there were in existence 67 steel shipyards with 420 ways, and 83 shipyards for wooden or concrete ships, with 357 ways, or 150 shipyards with 777 ways.

There are at the present time in the United States, in accordance with the figures of the National Council of American Shipbuilders, on the Atlantic, on the Pacific, and in the Great Lakes 27 commercial plants, with 106 ways, capable of building steel ships.

These shipbuilding facilities are commercial and do not include the Federal shipbuilding facilities in Navy Yards, which are equipped at the present time with 18 building ways. This is important because these yards are in the nature of competitors with the commercial yards in the building of Federal ships, and to that extent add to the available commercial facilities.

Reference is herewith made to Exhibit 4, which enumerates ships of over 2400 gross tons built in American shipyards since 1923 for a ten year period, during which time these American yards constructed ships to

the extent of 1,198,105 gross tons, an average of 119,810 gross tons per year. In this period, 151 ships were built with an average gross tonnage of 8,000.

Shipbuilding capacity will be estimated on the basis of the number of shipbuilding ways in existence at the present time, capable of being used for building ships of 3500 dead weight tons, or over. Nine months will be allotted to the period of the ship on the ways, and the average size of the ship will be assumed at 8,000 gross tons, the average of the 151 American seagoing ships built in the last ten years.

On this basis, the shipbuilding capacity of existing shipyards for commercial ships is 1,055,500 gross tons per annum, or approximately one hundred and thirty-five 8,000 gross ton ships, the average gross tons per ship for the past ten years.

For the past ten years, including the great stimulation in shipbuilding incident to the Jones-White Act, there was an average annual building of commercial ships of 120,000 gross tons, or less than one-eighth of the shipbuilding capacity of the country.

It is impossible to forecast the future policy of the United States in connection with an expansion of its Merchant Marine, but irrespective of this, it is at once seen that the shipbuilding capacity of existing facilities on the Atlantic Coast alone is far greater than the demands upon them for shipbuilding in any one of the last ten years.

Rear Admiral E. S. Land, Chief, Bureau of Construction and Repair, U. S. Navy, Subject, Navy Department. Reference, hearing July 19, 1933,pages 97 to 102 inclusive. Briefs from his statement.

The code as submitted by the shipbuilders, so far as it affects shipbuilding activities for the Navy Department, is generally satisfactory. In connection with the question of the 40-hour week as proposed by the Code, the Navy Department is of the opinion that this is required by the industry and that any reduction in the working hours below this would interfere unduly with the proper prosecution of the naval building program, as well as with the normal ship-repairing activities of the navy yards and private ship yards. At the present time the navy yards are on a 44-hour work week with 48 hours pay. The Navy Department feels, however, that it would be fair to reduce this to 40 hours work.

There are a number of vessels now under construction in government navy yards under specific appropriations, and the substitution of the 30-hour week for the present 44-48 hour week would seriously increase the cost and delay the completion of these ships. The loss of four hours work per week involved in the reduction from 44 hours to 40 hours would not affect seriously the output and can be accepted. There are also a number of vessels under contract in private shipyards which would be affected by the proposed code.

Studies have been made as to the effect on labor in the shipbuilding industry of the 40-hour week as compared to the 30-hour week, and it is the conclusion of the Navy Department that the adoption of the 30-hour week would not be in the interest of labor and in view of the size and content of the naval shipbuilding program, that the 40-hour week would not lead to unemployment in shipbuilding trades.

In other words, practically all skilled artisans available in the shipbuilding trades would be able to find employment on the 40-hour week basis.

The National Industrial Recovery Act under the provisions of which this Code has been formulated, provides, as a part of the policy, "to promote the fullest possible utilization of the present production capacity of industries." The existing shipbuilding facilities of the country now in operating status are in excess of the requirements for new construction and projects contemplated under the National Recovery Act, or for any other prospective new construction. Establishment of new facilities or reopening of those that have been closed over a period of years will result in excess capacity and creating of new and very temporary labor markets leading to later unemployment and unsatisfactory conditions. The Navy Department is of the opinion that some provision should be included in the Code such that it will avoid establishment of new shipbuilding yards, reopening of those long since inoperative, or expansion of small yards and repair plants for shipbuilding purposes. This opinion is in direct accord with the Declaration of Policy of the National Industrial Recovery Act.

Under the provisions of the Code the hours of work for draftsmen would not be limited to forty hours per week for the first six months. The program of new naval vessels calls for a very large amount of drafting work in the preparation of designs and working plans and to permit preparation of lists of materials to be purchased, also to allow construction work to proceed and employment of labor to start. The number of trained draftsmen qualified for the preparation ofplans and designs for naval ships is very limited, and there is no source of supply from which to recruit additional ones. It will probably develop that limiting the hours of work of draftsmen to forty hours may lead to delays in starting actual shipbuilding operations. The Navy Department is of the opinion that if practicable to do so, the hours of employment of draftsmen and other technicists should be exempted, at least temporarily, from the limitation.

The total money appropriated for the Navy Department for the fiscal year 1934 is in round numbers $329,000,000.

This amount has been limited by the Bureau of the Budget to a cash withdrawal during the fiscal year 1934 of $276,600,000. The difference between those two sums is $53,400,000.

In view of the above drastic curtailments, it will be possible for the Navy Department to function during the fiscal year 1934 if our navy yard and naval station work is done on a 5-day 40-hour week, and it is on this basis that the actual appropriations made by the Congress were reduced by the Bureau of the Budget. Should the Navy Department

be compelled to work on another basis, such as the 44-hour week (48 hours pay), or on a 30-hour week basis, it would be absolutely necessary to run a deficit or else seriously cripple the efficiency of the Navy.

Attention is invited to the fact that navy yards are primarily repair yards for the maintenance of the fleet. Any arguments presented by the shipbuilders operating repair yards are equally potent with regard to navy yards in so far as repairing vessels is concerned.

The capacity of the shipbuilding industry in this country, including the Navy Yards, is more ample to take care of any existing or prospective programs. The Navy shipbuilding, in my judgment, is the most difficult, intricate, complicated type of shipbuilding that there is in the world. It requires more experience, more technical engineering staffs and more skill in design and construction than any other type of shipbuilding in the world. Therefore, the program upon which we base this is what I call the fourth point program of economy and efficiency. From the Navy Department's point of view it is much more satisfactory to have these contracts placed with facilities that are familiar with the Navy Department work, Navy Department classifications and so on. We think it is more strict and more difficult of accomplishment than any other type of shipbuilding in the world. On that basis I have no hesitancy is saying that the present existing, growing shipbuilding facilities of the country are more than ample to take care of the Navy program, any prospective Navy program and, so far as my own knowledge goes, any Merchant Marine program.

Captain H. L. Hyman, U. S. Navy, from Assistant Secretary Roosevelt's office. Subject, statement for the Assistant Secretary of the Navy, Reference, hearing July 19, 1933, page 102 to 106 inclusive. Briefs of his statement.

There has been allotted to the Navy Department from the National Industrial Recovery Act the sum of $238,000,000 for the construction of ships.

The building program under this allotment provides for the construction of 32 ships, 16 of which are tenatively allocated to government navy yards and 16 to private shipbuilding plants.

There is a provision in the Recovery Act reading as follows:

"TITLE II - PUBLIC WORKS AND CONSTRUCTION PROJECTS.

"Sec. 206. All contracts let for construction projects and all loans and grants pursuant to this title shall contain such provisions as are necessary to insure (1) that no convict labor shall be employed on any such project; (2) that (except in executive, administrative and supervisory positions), so far as practicable and feasible no individual directly employed on any such project shall be permitted to work more than thirty hours in any one week; that all employes shall be paid just and reasonable wages which shall be compensation sufficient to provide, for the hours of labor as limited, a standard of living in decency and comfort, * * *".

At the present time the work-week in navy yards provides for 5½ days, with 44 hours work and 48 hours pay. The proposal now has been made that this be altered to 30 hours work with 30 hours pay; or in other words a reduction of 14 hours work and 18 hours pay per week.

There are now naval vessels under construction at government navy yards under specific appropriations made by Congress. The estimates for these ships and the consequent appropriations therefor, were based on a work week of 5½ days with 44 hours work and 48 hours pay.

It is certain that the substitution of the 30 hour week for the present 44-48 hour week in navy yards would very seriously increase the cost and delay the completion of all ships built in navy yards.

According to the best information obtainable by the Navy Department, the building program of the Navy, which includes 32 ships under the Recovery Act, plus 5 under the existing Naval Appropriation Acts, or a total of 37 new vessels to be laid down during the fiscal year 1934, will absorb the normal amount of labor employed in the shipbuilding industry (both government and private), on the 44 hour week basis, and there may be an actual shortage of labor in certain trades.

Thus, in so far as the shipbuilding industry is concerned, the above mentioned objectives will be attained without application of the 30-hour week.

The Department does feel, however, that it would be fair to reduce the present work week from 44 hours work with 48 hours pay, to 40 hours work with 40 hours pay. In so far as the navy yards are concerned this would cause a loss to labor of weekly pay amounting approximately to 16-2/3 per cent and would cause a loss of nominally 4 hours work per week to the government.

As to the loss of 4 hours per week, this is not as serious as it might seem on its face, for as a matter of fact, the 4 hours put in on Saturday mornings actually results in much less than that amount of really valuable labor, and it has even been estimated that on a basis of real value, only about 2 hours -- or less -- should be counted.

As to the loss in money to labor in the weekly pay envelopes, it is believed that a certain amount of the loss of 8 hours pay, through adopting the 40 hour week, could be absorbed by rearrangement of wage schedules, but if the 30 hour week should be adopted, it would be impossible to absorb the loss of 18 hours per week pay and keep anywhere near within the amounts authorized by Acts of Congress and allotments from the National Recovery Act, all of which sums were estimated on the basis of the longer week.

Several ships are now under construction in navy yards under naval appropriations on the 44-48 hour week basis. If the work to be added under the Recovery Act should be on a 30 hour week basis, administrative difficulties and confusion would be bound to result, with attending increased costs and serious delays; in other words, an impossible situation, which could only be met by:

(a) Authorizing all work both present and future on a 40 hour per week basis, or

(b) By obtaining increases in both appropriations and allotments to take care of additional costs so as to permit of the adoption of the 30 hour week.

Even if we could obtain the additional funds necessary we would be confronted with the element of delay. This might be met by working additional shifts but the Department feels that it is not desirable to employ more than one shift in the construction of naval ships owing to the insufficient number of men available in certain of the skilled shipbuilding trades and to the character of the work involved.

In the opinion of the Navy Department the adoption of the 30 hour week would not be to the best interests of labor engaged in the shipbuilding industry, in which there will be practically no unemployment after the program gets under way, as it would result in greatly reduced weekly wages for these men and women owing to the fact that it would be manifestly impossible to absorb the loss of 18 hours pay per week into the 30 hour week, whereas the absorption of 8 hours into the 40 hour week would not present the same difficulties.

To meet the situation on a fair basis -- fair to the taxpayer, fair to the laborer, fair to the Navy which feels that the ships should be built as economically and as expeditiously as possible, -- it is believed that for the shipbuilding industry (including government yards) a five day week of 8 hours per day, or in other words, a 40 hour week with 40 hours pay, be adopted.

Mr. J. A. Franklin, In Behalf of the Metal Trades Department of the American Federation of Labor. Subject, Wage and Hour Provisions. Reference, Hearing July 19, 1935. Briefs from his statement. Pages 122 to 133 inclusive.

The Code of Fair Competition submitted July 12, 1935 by the Trade Associations in the Shipbuilding and Ship Repair Industry, and the revised code submitted yesterday, do not represent in any way the views of the employees

as to what is fair labor competition and what are unfair labor practices. The employees in the industry were entirely ignored by the framers of these codes. This, we submit, is a violation of both the spirit and the letter of the National Industrial Recovery Act, and I appear here as the representative of the organized employees in the industry to present a code of fair labor competition which properly represents the views of the workers in the industry.

The organizations which I represent are the following:

International Brotherhood of Blacksmiths, Drop Forges, Helpers of America
International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America.
International Federation of Technical Engineers, Architects and Draftsmen.
International Brotherhood of Electrical Workers of America.
International Union of Operating Engineers.
International Brotherhood of Foundry Employees.
International Association of Bridge, Structural, and Ornamental Iron Workers.
International Association of Machinists.
International Union of Metal Polishers.
International Molders Union of North America.
Union of Firemen & Oilers.
Pattern Makers League of North America.
United Association of Journeymen Plumbers and Steam Fitters of the United States and Canada.
Sheet Metal Workers International Association.

We submit the following labor code, and we ask that it be substituted for the entirely inadequate, and in many respects unfair and unjust labor provisions in the proposed codes submitted by the trade associations of the employers in the ship building industry.

1. No employee, except members of the supervisory staff shall be employed in excess of thirty (30) hours or more than five (5) days in any one calendar week; nor more than six (6) hours in any one day.

2. No overtime shall be permitted, except the maintenance and repair personnel, and then only in cases of extreme emergency. All time worked in excess of scheduled number of hours shall be paid for at not less than double time.

3. The minimum rate of pay for employees covered by this code shall be twenty-five (25) dollars per week. This minimum wage is to be guaranteed regardless of whether the employee's compensation is otherwise based on a time rate or upon a piecework performance. This is to avoid frustration of the purpose of the code by changing from hour or day rates to piece work, premium or bonus systems of wage payment. The existing amounts by which wages in the higher-priced classes of workers exceed wages in the lowest paid classes shall be maintained; and the wage rates under the thirty-hour week shall be less than those paid for the regular full time weekly hours previously worked.

4. Any system of subcontracting work by which an employee undertakes to do a piece of work at a specified price and engages other employees to work for him is considered an unfair practice and prohibited by this code.

5. No new apprentices shall be employed in the industry until the existing surplus of unemployed labor has been absorbed in reasonable steady employment.

First as to the hours of labor. Our proposal for a thirty hour week is made necessary and justified by both Title II and Title III of the Recovery Act. The construction of naval vessels authorized as part of the public works program under Title II is work that will have to be done by the shipbuilders who are governed by this code. Section 206 of Title II, restricts the hours of labor on any such project to not more than thirty hours in any one week. This thirty hour provision was enacted by Congress, and it is obviously impossible as well as undersirable for a code to change an act of Congress. The employers' proposal for a week of forty hours, if adopted would have the effect of repealing Section 206 as enacted by Congress, so far as it applies to the hours of labor in the construction of naval vessels.

In addition to this compelling reason for a thirty hour week, there is the need for absorbing the large numbers of unemployed when, a forty hour week, as the employers recommend, would leave without the employment and without the purchasing power which it is the object of Title I to provide. This is made evident by the statistics of employment, payrolls and hours of labor in the shipbuilding industry which are available at the Bureau of Labor Statistics and the Census Bureau. Apparently the employers gave little consideration to these facts, but merely proposed forty hours because this would make but a slifht change in the working hours as they existed in 1929.

We are not in accord with that view expressed by the employer, and as set forth in the code. We take it more or less as the stock argument that has been used in all of the history when the question of reducing hours has been considered, and, in this case, the primary purpose of this act was to reduce the hours, increase employment and increase the purchasing power; and, if that cannot be accomplished, we submit, Mr. Chairman, that the purpose of the act has failed and that is why we propose the restrictions of the hours of labor to 30 hours, and we believe it is feasible and practical. We believe it is in accordance with the spirit of the act. In fact, it is a charge upon the employers and employees to establish a 30-hour week, particularly in the construction of naval vessels. If it can be shown that it is practical and feasible, and we maintain that it is practical and feasible, and it is for that reason we have set forth the statements we have contained in our submission in behalf of the 30-hour week.

We propose a minimum wage of $25 a week because this is the least amount that meets the requirement of Section 206 of the Recovery Act, which stipulates "that all employees shall be paid just and reasonable wages which shall be sufficient to provide for the hours as limited, a standard of living in decency and comfort."

Our code provides next for the prohibition of contracting by employees within the shipbuilding plants. This is an evil which besets the shipbuilding industry and which is essentially a method of sweating labor. The contracting worker becomes a sub-employer and thereby may avoid the wage provisions of any code. He becomes a profit maker by sweating profits out of the wages of the employees whom he engages to carry out his contract. Every employee in a shipyard should be employed by and receive his wages from the one employer who owns the yard. The failure of the employers to prohibit this unfair system of subcontracting in their proposed code, illustrates well the danger of accepting a code devised by the buyers of labor without consulting the sellers.

It is the avowed purpose of these company union plans to deal only with such representatives of the wage-earners as are the employees of the company that sets up the plan. In other words the employers will not recognize or deal with any representative chosen by the employees unless that representative is dependent on the employer for his living. And that, we submit, Mr. Chairman, is a strict violation of the Recovery Act.

Mr. John B. Frey, Secretary-Treasurer, Metal Trades Department, American Federation of Labor. Wage and hour provisions. Reference, hearing July 20, 1933, pages 159 to 161 inclusive. Briefs from his statement.

The law of 1862 provided that wages in Navy yards should be based upon wages paid in the immediate vicinity of the yard.

Since 1920 the Navy yard wage schedules have been prepared by a Naval Wage Review Board, consisting of two representatives of the Navy and one nominated by the American Federation of Labor before approval by the Secretary of the Navy.

Some three months previous to the meeting of said board, the Navy Department authorizes the setting up in each Navy yard, a yard wage board consisting exclusively of commissioned officers of the Navy. Their duty is to make an investigation of establishments employing mechanics such as are required in Navy yards, and together the wage rates paid to such mechanics in private industry whose skill, and the character of whose work is comparable to that required of mechanics in navy yards.

In each yard committees representing the employees, cooperate with the Navy yard wage board.

The result is that the data which the Navy yard wage board forwards to the Navy Department in Washington, is as representative wage data for comparable work in private industry, which can be secured.

It has never been the policy of the Navy Department to fix its wage schedule upon the highest rates paid for comparable work in private industry, but instead to take all such rates and approximate what seems to be a reasonable average.

It is however, a matter of official record in the files of the Navy Department that official representatives of the private shipyards have vigorously opposed any advance in the navy yard wage schedules, holding that such an increase would make it more difficult for them to retain competent mechanics at lower rates.

At the last meeting of the Navy Wage Review Board, official representatives of the National Council of American Shipbuilders appeared before the Navy Wage Review Board with the assertion that to protect their own interests it was necessary for the Navy Department to reduce existing wage schedules instead of increasing them, the argument presented being that unless the naval wage schedule was reduced it would work to the disadvantage of private shipyards by making it more difficult for them to prevent their existing wage rates from being increased.

Mr. Josiah T. Newcomb, General Counsel, Gulf Industries, Incorporated. Subject, wage and hour provisions. Reference, hearing July 20, 1933, p pages 174 and 175 inclusive. Briefs from his statement.

On reflection it seems to me best to substitute this letter for a formal brief in regard to the proposed Clause 7 in the Shipbuilding and Repair Code.

Gulf Industries, Inc. is the owner of valuable properties and water frontages in Pensacola, Florida, which it intends to develop into modern shipyards of lowest production costs. In furtherance of this purpose Gulf Industries, Inc. has expended considerable sums of money and entered into important contracts, the terms of which it must perform within a certain fixed period. If prevented from performing these contracts and making the development the moneys already expended would be sacrificed and the properties of the Company rendered substantially valueless; yet the Code contains in Clause 7 a provision subjecting the Company to measures of a penal character should it proceed with the development. Gulf Industries, Inc. cannot legally be deprived of its property rights by any such method; moreover we believe that the insertion of the proposed clause is contrary to the National Recovery Act itself, both as originally drawn and specifically as amended by Congress in respect to monopolistic practices.

Further, if this Clause 7 is permitted to remain in the Code, the South will be deprived of its legitimate share of present and future shipbuilding and this in defiance of the fact that ships can be produced more economically, more expeditiously and at less cost on the Gulf than elsewhere in this country.

The Birmingham district is now in a desperate state of unemployment and is almost entirely dependent upon the iron and steel industry. The building of a portion of the Navy program at Pensacola will greatly relieve the unemployment situation in the contiguous districts, but this also the proposed Code would apparently prevent.

We wish to add that we are in entire sympathy with the efforts now being made by the Administration, by industry and labor to enter into agreement which will avoid unfair competitive practices in the future. On the other hand we do not believe that the National Recovery Act sanctions or that any emergency requires this violation of our property rights.

Clause 7 was reintroduced into the shipbuilding code after we had been informed by the Code's proponents that it had been eliminated. You kindly informed us of this on Tuesday, the 18th, but we did not secure a copy of the proposed Code until yesterday.

We again suggest withdrawal of Clause 7. Unless it is withdrawn we request further opportunity to be heard either tomorrow or later if the hearing is to be recessed.

Mr. J. N. Davis, Assistant President, International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America. Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 177 to 182 inclusive. Briefs from his statement.

The Code being considered does not provide for such untied action as between labor and management. So far as we can learn, labor had no voice in its formation.

We suggest the Recovery Administration provide in the code approved for such conferences to assure united action as between labor and management, to establish uniform wages and conditions for each employee classification engaged in shipbuilding and ship repairs.

Our experience teaches us, unless such a provision is established in this code nothing will have been done to eliminate unfair competitive practices. As these differences must first be eliminated before fair practices can prevail.

Under the provisions of the National Industrial Recovery Act, many ships are to be built for the United States Navy, bids are now being asked for by the Navy Department. It is essential that action be taken to establish these uniform rates before the bids are submitted and the contracts let or awarded.

The minimum rate as suggested in this code, is insufficient. As it would not provide adequate purchasing power nor permit of decent living standards. Presuming that the 30 hour week will be established as provided under the act on ships to be built, the earnings would be only $10.50 per week. We believe a weekly minimum should be established at $25.00. Unless such a minimum weekly earning is provided for, the very purposes of the Act will be destroyed. Any minimum wage less than $25.00 will simply mean you have established a share the work program. The rate suggested here is based on the average 1929 wage.

The provisions of this proposed code, intend to establish a differential as between the Northern and Sourthern section of the United States. This we feel is uncalled for and is not justified. Surely men employed in a southern State and required to perform the identical work are entitled to as much compensation for their labor.

Many of the ship repair yards now work what is called, the "Chain Gang System" whereby each employee is hired and fired daily, requiring every man to form in line for each shift for each day's work secured. This has had a tendency to greatly lower the purchasing power of these workers, and has been the cause of much of the "Cut Throat Competition" mentioned.

Under the presumption this Board will establish ways and means to provide a minimum for all classifications we are listing and attaching the classifications coming under the basic trades we represent in the shipbuilding industry.

Classifications:

Shipfitter, boilermaker, welder, (electric), welder (gas), burner, loftsmen, layerout, riveter, chipper and caulker, flange turner, driller, rigger, frame bender, packer, puncher, and shearer, erector, bolter-up, regulator, helper, holder-on, heater, apprentices, drill press operators.

We suggest a weekly minimum rate for mechanic classifications of $43. per week.

We suggest a minimum of $33. per week for semi-skilled workers and $30. for helpers and heaters.

We further suggest because of the many systems of piece work, premium, bonus, and contract, that a guarantee of at least the weekly and/or daily rate be provided, and further that all such systems and rates be fixed to provide the average workman with a least 30 per cent over the basic wage. We believe further that all contracting or subletting of work in yards be discontinued.

Mr. Joseph C. McDonough, on Behalf of International Brotherhood of Electrical Workers. Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 188 to 193 inclusive. Briefs to his statement.

This code has been quickly drawn by a self-elected group of power companies, mostly subsidiaries of steel and power corporations.

The shipbuilding and ship repair industry is rightly regarded, however, as a separate and individual industry not only because of functional difference, but because, we emphatically contend, this industry is touched with public significance. This industry is not only an adjunct of copper and steel industries, but it is an important arm of the federal government, either potential or actual with quasi-public functions. This is shown by the output of the yards during the last 15 years. The output of 1919, the year following the world war, (it is plain that 1919, not 1918, shows the lift in tonnage built inasmuch as the industry could not get underway for a full year following entrance into the war) is nearly 10 times that of normal years.

Year	Outlay
1919	$710,522,676
1927	78,626,391
1929	81,744,283

(Census of Manufacturers 1929, page 1233)

Due to the character of this industry, therefore, it should be regarded as forming, with the United States Navy Yards, an integrated whole.

Unfortunately the shipbuilding and ship repair industry has had all the advantages of being a public utility with none of the disadvantages. Unfortunately it has never felt the disciplining influence of government guidance, and it has never set up standards of wages and working conditions which the government yards erected.

The proposed code speaks of only one type of labor in its minimum wage section (Section 6), presumably unskilled or common labor. We ask that the skilled craftsmen be disengaged from this vague category. The skilled craftsman is absolutely necessary to shipbuilding — indeed in the case of the electrical craftsman, he is fundamental. The modern ship is a floating power house. It is inconceivable that a workman of size and importance should be asked to consider a minimum wage, which would return upon a 30-hour week basis, the sum of $10.50 per week.

We believe that a just approach to these questions of proper classification, maximum hours, wage scales, and kindred matters, should be regarded to standards set up in the government branch of the shipbuilding and ship repair industry as those proper for the entire industry. We therefore request that:

1. Minimum wage for electricians be $1.00 an hours, with 65 cents for electrical helpers.

2. That this scale become a flat rate for ship electricians throughout the entire industry.

3. Then when the work-week is curtainled quite properly to 30 hours, that the wage rate become $1.60 an hour in order that the same pay for 30 hours as for 48 hours be granted: This of course in keeping with the objectives of the National Recovery Act.

4. In order to avoid abuse of the 30 hour week principle, we request that the six-hour day of continous service for 5 days be maintained as basic, and that all overtime be abolished except in cases of emergencies. When worked as emergency double pay shall be paid.

Mr. John P. Coyne, Vice President, International Union of Operating Engineers, for Mr. John Possehl, General President, International Union of Operating Engineers. Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 194 to 195 inclusive. Briefs from his statement.

The International Union of Operating Engineers wishes to take exception to Article V of the code of fair competition and trade practice for the ship building and repairing industry as submitted July 12, 1933 as it pertains to the maximum hour provision under the National Industrial Recovery Act. We also wish to protest the provisions for the minimum rate contained in Article VI of this code. The engineer as employed in this industry has several classifications, namely: Stationary plant engineer, compressor plant engineer, crane operator, dinky

locomotive engineer, derrick engineer, etc. The engineer is necessarily a highly skilled workman and only becomes proficient after many years of practical experience and continuous study. His duties are of such a nature that upon his efficiency depends the successful operation of the entire industry and they regulate the production.

It is our judgment from experience and observation that it is the intent and purpose of the National Industrial Recovery Act to provide employment for a greater number of skilled workmen than are now employed. To this end we propose striking out the provision for the 40 hour week and inserting instead thereof a provision for a minimum of 30 hours per week divided into 5 days of 6 hours each with a provision that if overtime work is permitted under the provisions of the code that such overtime be paid for at the rate of double time.

Mr. Thomas A. Wood, representing the International Association of Bridge, Structural and Ornamental Iron Workers. Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 197 to 199 inclusive. Briefs from his statement.

Our organization urges that a minimum work-week of 30 hours be sanctioned by the National Recovery Administration for both navy yards and private shipbuilding concerns. As to wages, we urge further that the existing hourly rates of pay be so increased as to yield the same weekly income for thirty hours as is now received for a longer work-week.

We are fully aware of the fact that the increase in hourly rates where government or private shipyards have a forty-eight hour week will amount to 37 $\frac{1}{2}$ percent, but on the other hand, we wish to point out to the Recovery Administration that this does not really represent a commensurate increase in labor cost. The prevailing rates of pay in the navy yards were established in the year 1928. Since that time there have been decided technological improvements in navy yard work and also increased mechanization which in large measure will absorb any increase in labor costs arising from the higher hourly rates which we advocate.

As to conditions of production in private shipbuilding plants, we request of the Recovery Administration that both hours and rates be placed on the level as navy yards, that is, the 1928 full-time weekly earnings for navy yards for a thirty-hour work-week, in order that employees in private establishments may earn approximately a sufficient amount to maintain themselves and their families in reasonable health and decency.

Mr. George E. Powers, Representing the Steel and Metal Workers' Industrial Union. Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 211 to 212 inclusive. Briefs from his statement.

This is a proposed draft of a code for drydock and shipyard workers.

"1. A $25 minimum weekly wages for common labor, for a 6-hour day, 5-day week, hours a.m. and p.m. to be specified. All hourly rates to be raised in the same proportion as the increase in the common labor rate.

Time and one-half for all overtime. Maximum working week to be 40 hours. Automatic wage increases to meet each rise in the cost of living. Abolition of all piecework and sub-contracting.

"2. A guarantee of 40 weeks work per year. All workers getting less than 40 weeks work are to receive unemployment insurance at the rate of full wages - the cost to be paid equally by the company and the Federal Government."

Mr. J. W. Mullin, on Behalf of Employees of the New York Shipbuilding Company, Camden, New Jersey, Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 216 to 217 inclusive. Briefs from his statement.

I wish to announce at this time that the employees of the New York Shipbuilding industry in Camden, New Jersey, have gone on record as opposing the 40 cent minimum and are asking for a 50 cent minimum to be paid to unskilled labor.

Inasmuch as the workmen of the New York Shipbuilding employees feel that our company will get a fair proportion of Naval work that is to be given to private yards, we, the employees of the New York Shipbuilding Company feel that a 40 hour week will take care of all unemployed in our district who belong to the shipbuilding industry.

If sufficient work is awarded to our company, it is our belief that from 4500 to 5000 men can be added to our payroll within the next year. We feel that a 40 hour week is an ideal working week, and is the best that can be obtained for the interests of both labor and industry. Assuming that all the unemployed belonging to the shipbuilding industry can be taken care of with a 40 hour week, we see no reason for a shorter week.

It is our understanding that the code submitted by the shipbuilders calls for a minimum rate of 40 cents per hour for unskilled labor. We cannot help but feel that the rate does not provide a comfortable and decent living. Therefore, it is our desire to submit a minimum rate of 50 cents an hour for your consideration. In August, 1932, the shipbuilders saw fit to reduce all wages throughout the yard that this reduction should be restored under the new deal. It is our intention to cooperate with the Government and industry in this great program, however, we feel unless a substantial increase is granted to all employees it will be impossible for the working man to meet the new rise in the price of commodities.

Mr. Charles W. Wilkerson, on Behalf of the International Molders Union of North America. Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 217 and 220 inclusive. Briefs from his statement.

Mr. Chairman, this pertains only to the molders and core men. Of course we are asking for the higher wage than the minimum of $25.00 a week. My statement is very short.

In going over the code submitted to you by the Shipbuilders and Repair Industry, we find they have not placed in it the minimum wages to be paid to molders and coremakers working in this industry, and, as we understand the object of the law is to establish fair competition in the industry, and in order to accomplish this, we feel it is necessary to establish the same minimum rate of wages to be paid to the mechanics making the castings for the ships to be built in all ship plants and for repairs for old ships, also that the purpose of the act is to pay a weekly wage so that the employees can purchase as much as they could with a week's pay in the normal years, from 1926 to 1929. Therefore, we believe the wages for molders and coremakers should be $49.44 per week.

Mr. T. P. Behney, on Behalf of Pattern Makers League of North America. Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 230 to 231 inclusive. Briefs from his statement.

We hereby submit for your approval suggestions for governing the pattern makers trade insofar as it affects the shipbuilding and ship repair industry in the United States. We oppose any differential in rates as to the location of industry. We ask that you make effective a rate of not less than $1.25 per hour for all journeymen pattern makers; that the hours per day shall not be more than six, and the hours per week not in excess of thirty. To insure against unnecessary overtime, we ask that a penalty of double time be imposed.

Mr. M. F. Garrett, Representing the United Association of Journeymen Plumbers and Steam Fitters of the United States and Canada. Subject, wage and hour provisions. Reference, hearing July 20, 1933, page 221. Briefs from his statement.

We oppose any differential in rates as to location of industry. We ask that you make effective a rate of not less than $1.25 per hour for all journeymen plumbers and steam fitters, and a rate of not less than 85¢ per hour for all journeymen plumbers and steam fitters helpers. That the hours per day shall not be more than 6, and the hours per week not in excess of 30. To insure against unnecessary overtime, we ask that a penalty of double time be imposed.

Mr. John F. McNamara, representing the International Brotherhood of Firemen & Oilers. Subject, wage and hour provisions. Reference, hearing July 20, 1933, page 222. Briefs from his statement.

It is our judgment from experience and observation that the intent and purpose of the National Industrial Recovery Act is to provide employment for a greater number of skilled workmen than are now employed. To this end we propose to strike out the provisions for the 40 hour week and to insert instead thereof a provision for a maximum 30 hour week to be divided 5 days of 6 hours each with the minimum pay of not less than $37.82 of water tenders, and of not less than $36.00 for firemen and oilers, with the provision if overtime is permitted under the provisions of this code that said overtime be paid for at the rate of double time.

Mr. William G. McDermott, Representing the Employees of Fore River Plant of the Bethlehem Corporation, Quincy, Mass. Subject, wage and hour provisions. Reference, hearing July 20, 1933, page 223. Briefs from his statement.

The employees of Fore River Plant of the Bethlehem Shipbuilding Corporation, Quincy, Massachusetts, represented here by the employees representative body, wish to submit their recommendations relative to the shipbuilding code.

1. This committee is in accord with the maximum hours submitted by the shipbuilding code, namely, 40 hours per week, as we feel that in reducing our regular 48 hour week to 40 hours per week it will soon absorb all shipyard workers that are now unemployed in our district.

2. That the 40 cent perhour minimum based on 40 hour week we oppose for the following reasons:

That in order to line in comfort and decency as so stated in this Recovery Act, we feel that $16. per week is inadequate. Prices of all commodities are increasing daily and all other living expenses in proportion; for example, the average home for the working man and his family in our district costs him approximately $30 per month, or if he is purchasing a home through any bank, his payments are generally predicated on the same amount monthly, plus taxes, insurance, etc.

We could offer further details substantiating our recommendation but we do not feel we should take up too much of your committee's valuable time.

We recommend that the minimum rate paid to shipyard employees be 50 cents per hour, based on a 40 hour per week.

Mr. John W. Garvey on behalf of International Hod Carriers' Building and Common Laborers' Union of America. Subject, wage and hour provisions. Reference, hearing July 20, 1933, page 224. Briefs from his statement.

In place of Section 3 we propose the following provision:

"No employee on an hourly rate may work in excess of thirty (30) hours a week, and there shall be no overtime work except in an emergency measure. If any employee on an hour rate works in excess of the schedule six (6) hours in any one day, the wages paid will be at the rate of double time the regular hourly rate for such time as may be in excess of six (6) hours."

The second objection we demand to make is against section 4, and in it's place we propose the following provision:

"The minimum pay for laborer shall be at the rate of twenty-five (25) dollars per week for a thirty (30) hour week.

(a) On and after the effective date of this code, employers shall not employ any minor under the age of sixteen (16) years.

Mr. H. Gerrish Smith, President, National Council of American Shipbuilders. Subject, reply to questions asked by the Chairman. Reference, hearing July 20, 1933, pages 229 to 232 inclusive. Briefs from his statement.

The present rates in Boston, the basic rate for common labor is 34 cents an hour; in New York, it is 40 cents; in northern New Jersey, 35 cents, and Philadelphia, 34 cents.

In Baltimore they are now 35 cents; in Hampton Roads, they are 24 cents; in New Orleans, 34 cents; Mobile 24 cents, and Galveston, 32 cents.

"The present capacity of active shipbuilding and ship repairing companies of the United States as a whole, is in excess of present or any prospective needs. Therefore, it be considered a violation of this code to make any material increase in the plant capacity of the Industry, such as new shops other than to replace existing shops, new drydocks or new marine railways or new shipways, during the life of the National .. Industrial Recovery Act."

Deputy Whiteside. May I have your definition of "north and south" as you interpret it?

Mr. Smith. South of Maryland and Texas, inclusive.

Deputy Whiteside. That is all States south of Maryland?

Mr. Smith. Including Maryland to Texas, inclusive.

Deputy Whiteside, Running to the Mississippi River?

Mr. Smith. Running to the Rio Grande.

Deputy Whiteside. Then, directly down the line of States west of the Mississippi through Texas?

Mr. Smith. No, sir, we have made no attempt to define west of the Mississippi excepting Texas.

Deputy Whiteside. Have you any suggestion to make regarding the machinery to be set up to enforce the Code?

Mr. Smith. Yes, sir. We propose the following paragraph to be inserted in the Code:

"The administration of this Code in the Shipbuilding and Ship Repairing Industry will be undertaken by committees elected by the Industry, co-ordinated by National Committee which will cooperate with the Administrator as a planning and fair practice agency for the industry."

Mr. Robert W. Malone, Representing the Galveston Drydock and Construction Company. Subject, Article 7 - Restriction of New Facilities. Reference, hearing July 20, 1937, pages 234-241 inclusive. Briefs from his statement.

Factual data have been presented to the Administrator, explaining the heavy expansion of both building and repairing facilities, incident to the war emergency, and explaining that notwithstanding a material contraction in the scope of such facilities between the close of the war and the present time, due to the lack of need or demand for them, those facilities which remain are far in excess of what may be conservatively estimated as the normal needs of the shipping industry under satisfactory shipping conditions; it being a selfevident fact, acknowledged in every quarter, that shipping today is in such a slump as to be nowhere near normal. Thus, the existing shipbuilding and shiprepairing facilities exceed normal requirements, and vastly exceed present requirements.

Today there are 93,000 tons of docking capacity of commercial docks in the Gulf, plus the 15,000 ton Navy dry dock available in case of necessity.

The dry docks are located as follows:

Galveston 10,000 tons - 1 dock.

Beaumont 25000 tons - 1 Railway.

New Orleans 37,000 tons - 5 docks.

Mobile 36,000 tons - 4 docks and 1 railway.

Pensacola 5,000 tons - 1 dock
Tampa 2,500 tons - 1 railway
The above does not include anything of a capacity of less than 2000 tons of which there are a large number available for river and harbor craft.

Statistics furnished by the operators of these plants disclose that the facilities were occupied mostly by ocean going vessels the following percentage of the total time during the last year:

Galveston 51 Percent.

New Orleans 19.2 Percent.

Mobile 33.1 Percent.

Pensacola 20 Percent

Beaumont, no data requested.

Tampa, no data requested.

Mr. John M. Tobin, General Vice President, International Brotherhood of Blacksmiths, Drop Forgers and Helpers. Subject, wage and hour provisions. Reference, hearing July 20, 1933, pages 242-243 inclusive. Briefs from his statement.

Paragraph 5 of the Code as proposed by the shipbuilding and repair yards provides that no individual will be employed in excess of forty (40) hours in any one week. We urge that the words and figures of forty (40) be changed to the words and figures of thirty (3) because forty hours per week will not, according to out best judgment, based upon a general knowledge of the conditions in this industry reemploy the available blacksmiths, forgers and anglesmiths ordinarily employed in this industry.

We suggest that the following language be added to paragraph 6 — "that the minimum rate of pay for blacksmiths working on light work shall not be less than $42.72 per week, The minimum rate of pay for blacksmiths' helpers workin on light work shall not be less than $29.76 per week. Minimum rate of pay for blacksmiths working on heavy work shall not be less than $45.57 per week. The minimum rate of pay for helpers on heavy blacksmith fires shall not be less than $30.72 per week.

The minimum rates of pay for heavy forgers shall not be less than $65.28 per week. The minimum rate of pay for helpers on heavy forging shall not be less than $30.72 per week.

Mr. A. O. Wharton, Internation President by H. J. Carr, General Vice President, International Association of Machinists. Subject, wage and hour provisions, Reference, hearing July 21, 1933, pages 1003 to 1004 inclusive. Briefs from his statement.

"Relative to paragraph 3 of revised code, we urge that the words and figures 40 be changed to the words and figures 30, because 40 hours per week will not, accordin to out best judgment, based upon a general knowledge of the conditions in this industry, reemploy the available number of machinists ordinarily employed in this industry.

"Relative to paragraph 4 of revised code: the proposed rates of 35 cents per hour in the South and 40 cents per hour in the North produces a $14.00 and $16.00 per week earning.

"The common labor rate set by the Government in the shipyards operated by the Government ranges from 30 cents to 36 cents per hour, based of 48 hours per week, which produces $17.28 and $20.88 per week respectively.

"The minimum rate of pay for machinists shall be $44.16 per week.

"The minimum rate of pay for machinist helpers shall be $29.28 per week.

Mr. H. G. Smith, President, National Council of American Shipbuilders. Subject, Reply to questions asked by the Chairman. Reference, hearing July 21, 1933, pages 1007 to 1011 inclusive. Briefs from his statement.

Deputy Whiteside. The first question is, were wages cut by the shipbuilders or ship repair concerns after March 1, 1932?

Mr. Smith. Yes. There had been a reduction of about 10 per cent, a little less in some plants, and a little more in one or two others, and one or two others that made no cuts at all.

Deputy Whiteside. That is, the wage rate was cut on an average of approximately 10 per cent since March 1, 1932?

Mr. Smith. That is what the figures show.

Deputy Whiteside. The next question is, What percentage were wages cut between January 1, 1928, and March 1, 1932?

Mr. Smith. There was almost no reduction. I find one instance of a five per cent reduction.

Deputy Whiteside. What increase would the 40 cent minimum wage show over the present wage in the North? That is, the present minimum wages in the North.

Mr. Smith. I quote the present basic rates prevailing in the north as follows: Boston, 34 cents; New York, 40 cents; northern New Jersey, 35 cents; Philadelphia, 34 cents.

Deputy Whiteside. Are you prepared to show a given estimate of the increase in the labor cost which would result from the 30-hour week as against the 40-hour week as it applies to the cruiser program?

Mr. Smith. Yes. Those figures are already in the record in type in the statement made by Mr. Spear, but I have another estimate or sheet that was worked out last night. In referring to Mr. Spear's figures, that shows a detailed $1,000 expenditure on a 40-hour basis as compared with what it would be in the shipyards on a 30-hour basis, assuming the same weekly wage. This sheet is not typewritten, but it may be so.

Deputy Whiteside. Are you prepared to offer it so it may be in the record this morning?

Mr. Smith. Yes; I am.

Deputy Whiteside. It is quite important.

Mr. Smith. It shows an increase in cost of approximately 39 per cent, so far as the shipyard work itself is concerned.

Deputy Whiteside. That is the direct labor increase?

Mr. Smith. That is the direct cost increase in the yard due to the increase in direct labor and increase in overhead. It does not take into account the factors affected by increase in the cost of material and equipment that we have to buy.

Deputy Whiteside. Mr. Sharp.

Mr. Sharp. This is simply an adaptation of the textile code provisions and the order effectuating them, subject to correction and discussion, just a suggestion.

To effectuate further the policies of the act, a shipbuilding and ship repairing industry committee is set up to cooperate with the Administrator as a planning and fair practice agency before the shipbuilding and ship repairing industry. This committee shall consist of, I say five although I do not know how many you want, five representatives of the industry, appointed by, and this is subject to correction again, appointed by the committee presenting this code, and three members, without vote, appointed by the President of the United States.

Said committee may, from time to time, present to the President of the United States recommendations based on conditions in the industry as they may develop from time to time which will tend to effectuate the operation of the provisions of this code and the policy of the National Industrial Recovery Act.

The textile code contains specific suggestions as to the type of recommendations which are contemplated. You may first consider whether you want to make such suggestions in your code.

Admiral Cone, Chairman of United States Shipping Board. Subject, Shipbuilding facilities. Reference, hearing July 21, 1933, 1016 to 1017 inclusive. Briefs from his statement.

Admiral Cone: My position with reference to ship building is that which I have as Chairman of the Shipping Board and as a member of the Board, in which connection I have had active charge of the construction loan fund which has financed the building up of the present modern merchant marine. I have been in close touch with the ship building industry all of my life, and in the Navy I was Chief Engineer 25 years ago, and I have been in touch with those matters. I had an idea from the people who oppose this that I was called down here to give my views on the general policy of ship building yards in the country in the future.

Deputy Whiteside: Have you any definite opinion to express on that point?

Admiral Cone: Yes, Sir.

Deputy Whiteside: If you have, it would be helpful to me.

Admiral Cone: I think the ship building Industry in the future will have to be expanded to provide for the merchant marine that this nation will have to have.

Deputy Whiteside: You mean in the future?

Admiral Cone: Yes, sir, I mean in the future. I believe further from a geographical and climatic, labor and raw material standpoint that there should be more shipbuilding facilities on the Gulf.

Deputy Whiteside: Have we no adequate facilities there at the present time?

Admiral Cone: We have no active ship building facilities on the Gulf at the present time.

Deputy Whiteside: In other words, taking Key West as a point and running to Panama, in that stretch of coast we do not have the ship building yards which you think should be available?

Admiral Cone: We have no active shipbuilding yards in that area. We have some repair yards there. We have one or two shipbuilding yards that were active during the war out which have since become dead.

Deputy Whiteside: What effect would an important increase in the cost of shipbuilding have on the amount of business that would be placed with the ship yards?

Admiral Cone: It would have an immediate effect. The main burden that the American shipbuilder operates under as compared with his foreign competitor is the differential in capital charges. It is almost all of the difference as between operating an American vessel and a foreign vessel. The higher that cost is the more the American ship operator is handicapped. And that runs usually about 15 per cent on the excess capital cost, or 14 or 15 percent -- 5 per cent for amortization, 6 per cent for interest and 3 per cent average for insurance on that excess cost.

Mr. H. G. Smith, President, National Council of American Shipbuilders. Subject, Revised Code. Reference hearing July 21, 1933, pages 1022 to 1030. See Exhibit B.

Captain Henry Williams, (CC) United States Navy. Subject, Laborers' Rates Per Week in Navy Yards. Reference, hearing July 21, 1933, pages 1027 to 1027 inclusive. Briefs from his statement.

	Rates Per Hr.	$ per week (48 hrs)	Less 15%
Maximum			
Boston	.56	26.88	22.85
New York	.56	26.88	22.85
Philadelphia	.53	25.44	21.63
Norfolk	.46	22.08	18.77
Charleston	.36	17.28	14.69
Intermediate			
Boston	.51	24.48	20.80
New York	.51	24.48	20.80
Philadelphia	.48	23.04	19.58
Norfolk	.41	19.68	16.63
Charleston	.31	15.81	13.44
Minimum			
Boston	.46	22.08	18.77
New York	.46	22.08	18.77
Philadelphia	.43	20.64	17.54
Norfolk	.36	17.28	14.69
Charleston	.26	12.48	10.61

Captain Henry Williams (CC) United States Navy. Subject, Increase cost as affected by wage and hours. Reference, hearing July 21, 1933, pages 1056 to 1057 inclusive. Briefs from his statement.

The estimated cost of the Navy Building program is $238,000,000. A rough estimate of the amount of shipyard and navy yard labor involved is 60 per cent or $142,800,000. Assuming the same weekly rate of wages now in force applied to a 30-hour week, to determine the total weekly wages to be paid, we should have approximately a 60% increase in labor rates for Navy Yards and 33-1/3% increase for private shipyards. (There would also be a decrease in effectiveness of labor which will be ignored here). As an approximately equal portion of the work is to be performed in private shipyards and navy yards, I will assume the

average increase in wages to be 45, or a total increase in labor costs based on hourly rates of $64,200,000.

Hon. Millard F. Caldwell, Member of Congress, Third Florida District. Subject, restricting extension of shipbuilding facilities. Reference, hearing July 21, 1933, pages 1030 to 1035 inclusive. Briefs from his statement.

Relating to the proposed insertion in the Shipbuilding and Repair Code of a clause now numbered 7 restricting or preventing extension of shipbuilding facilities.

The proponents of the Code represent, according to their own statement, approximately 90% of the shipbuilding industry in the United States. To a very large extent shipbuilding is confined to yards on the North Atlantic Coast at and North of Newport News. As has already been shown by evidence submitted by other parties, these groups are closely interconnected and are closely affiliated with other industrial groups, particularly in the steel industry. It is admitted by the representatives of this group that their shipyards are incapable of competing with foreign shipyards, and that, as a consequence, their yards are largely idle and practically dependent upon Naval construction for renewed activity.

The National Industrial Recovery Act specifically provides that no provision of the Industrial Codes shall be such as to permit or encourage monopolistic or unfair practices. The expressed object of the Act is to prevent unfair competitive practices and to increase employment. The Act includes certain specific provisions for the protection of labor and the improvement of industrial conditions. The Act nowhere suggests the inclusion of the Code of any such provision as Clause 7, which, if adopted, will defeat the very purpose of the law, as it proposes to prohibit the expansion or extension of shipbuilding facilities, thereby perpetuating the existing monopoly of the shipyards along the North Atlantic Coast.

In fairness to the workers and industrialists in Southern States, this clause should be stricken from the Code, as there would be no relief brought to the shipbuilding industry in the South Atlantic and Gulf States by adoption of the Code if this clause is contained therein.

In substantiation of these statements an exhibit marked "Exhibit P" is submitted herewith. (See exhibit "C" attached).

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Whereupon, at 1:15 o'clock p.m., an adjournment was taken, subject to notice.

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Volume B. contains letters and briefs, the substance of which has been incorporated in the foregoing subject matter of the open hearings of July 19, 20, and 21. However, reference is made to the letter of

Mr. C. L. Bardo, President of the New York Shipbuilding Company, attached hereto as Exhibit D, which replies to the contention of the Hon. Willard F. Caldwell, Member of Congress, Third Florida District, contained in Exhibit C attached.

The Congressman set forth argument to the effect that ships could be built in large duplication. Mr. Bardo cited the experience of the New York Shipbuilding Company, which contravenes such a possibility in peace time. Of course, it is understood that ships were duplicated in the War building period.

II. History of Code formulation.

D. From public hearing to approval

1. Summary of post-hearing conferences.

There were three conferences held by General Johnson, resulting in drastic reductions in the maximum hour provisions of the Code from those finally submitted with the revised Code, during the last day of the hearing and copy of which is attached hereto as Exhibit B. No record of these conferences could be found either in Code Record Section, or in any other Files. The story has been told and retold, however, verbally.

Mr. H. Gerrish Smith, President of the National Council of American Shipbuilders, upon request, has given his version of these conferences as representing Industry. (Ref. Exh. E, Appx.) Mr. Joseph S. McDonough, later appointed to the Code Authority to represent Labor, who was present at these conferences, obtained from Mr. John P. Frey, President, Metal Trades Department, American Federation of Labor, who was also present at these conferences, his version as representing Labor. (Ref. Exh. F and F 1, Appx.)

Mr. H. Gerrish Smith's version is as follows:

> "Saturday, July 22nd: Two meetings with General Johnson, one at 7:00 p.m. and the other at 8:00 p.m. At the first meeting the undersigned started to discuss the Code in a general way feeling that the preliminary period in Washington had been spent in negotiation with Mr. Whiteside and since the document had been completed and contained all of Mr. Whiteside's suggestions, that it was now practically an agreement. This idea was soon dispelled and the Shipbuilders were informed that the meeting was on a question of hours and wages and that the Shipbuilding Industry was a typical one in which a shorter labor week should immediately be put into effect, and intimated that his own experience in industry was such that he was perfectly familiar with the situation.
>
> "The Labor group was also present and they proposed six hours a day, thirty hours a week, and a minimum of $25 per week. General Johnson figured this out at 83¢ an hour and stated that it was impossible and that that proposition is just out.
>
> "He was of the opinion that the entire $238,000,000 appropriated to build naval vessels was for contracts to be placed with private shipyards, but he was informed that not more than $150,000,000 would be given to the private shipyards, the balance going to Navy Yards, and none of it going to the Shiprepairing plants.

"At the end of the period General Johnson wrote on a sheet of paper two figures, one of 32 hours a week and the other a minimum wage. I forget whether the latter was weekly or hourly.

"Second Meeting At 8o'clock: The Shipbuilding group still asked for the 40 hour week which had been arrived at after very careful study and consideration and further stated that it was its belief that it would be able to employ more men under this condition than on a 32 hour basis. The builders of merchant vessels stated at this meeting that a 32 hour week would be harmful to them in securing commercial work and that the unemployment situation would be greater than if working 40 hours. Meeting adjourned at 10:30 p.m to meet again on July 23rd, at 2:00 p.m.

"Sunday, July 23rd: The same group that met the General on Saturday was followed up on Sunday with the group being augmented by Mr. H. L. Ferguson and Mr. C. L. Bardo. The meeting took place in the General's sitting room at the Wardman Park Hotel at which time further argument was made in favor of the 40 hour week, and the General finally reiterated that the facts made no impression on him and that nothing was brought forward to alter his opinion that the Shipbuilding Industry was a typical industry and should engage on shorter work hours. Labor also attended this meeting and Mr. Frey, Labor leader, discussed the 30 hour week for some three or four minutes. The General had another meeting pending and closed the conference. As the Shipbuilders were about to leave, Mr. Whiteside asked the undersigned to keep our group together as he had a compromise arrangement which he thought the General would accept.

"After talking with Mr. Whiteside for some time, the Industry finally agreed to the 32 hour week for Naval shipbuilding and 40 hours per week, not to exceed 36 hours averaged over a six month's period, for merchant shipbuilding and shiprepairing.

"Monday, July 24th: The Shipbuilders worked with Mr. DuBrul, one of Mr. Whiteside's assistants, in rewriting the Code, having in it the weekly hour provisions as stated above. Several minor changes were made to meet the requirements of Mr. Whiteside.

"They were finally approved on the morning of July 26th, after which they were submitted by General Johnson to the President, and were approved by him some time that day."

Mr. John P. Frey's version is as follows:

"I have your request that I supply you with the statement relative to conferences held with General Hugh S. Johnson at the time when the Shipbuilding Code was under consideration.

"I have just examined the minutes of the meetings under the auspices of the Metal Trades Department which took place during the latter part of July 1933.

"I find that there was a special conference of International Representatives of metal trades, held in the Department's Headquarters on July 22. At this meeting I informed the representatives that the meeting had been called upon the request of General Hugh S. Johnson, so that a committee representing the International Unions affiliated with the Metal Trades Department could be appointed to meet with General Johnson and the committee representing the shipbuilders.

"At this meeting it was announced the conference would be held in General Johnson's office at 2 p.m. that day. The meeting appointed J. A. Franklin; J. S. McDonough; Fred Hewitt; Thomas Behney; W. P. McGinn, and John P. Frey as the committee.

"That afternoon at 2 p.m. the above named committee were present in General Johnson's office. The committee representing the shipbuilders were also present.

"A lengthy discussion took place during which the representatives of shipbuilders and those of the Metal Trades Department expressed to General Johnson their views concerning the labor provisions which should be incorporated in the code.

"This conference continued until the evening without any determination being reached. When the adjournment was taken it was with the understanding that the conference would reconvene the following day, which was Sunday, in General Johnson's apartment, The Wardman Park Hotel.

"This conference failed to reach any conclusion, and General Johnson declared the conference at an end.

"Later in the day General Johnson notified the committee representing the Metal Trades Department, that after the conference had adjourned the shipbuilders had held a conference with him, at which they had agreed to the incorporation in the code for their industry of certain labor provisions which had been urged by the representatives of the Metal Trades Department."

2. Activities in obtaining approval

All activities of record in obtaining approval have been recited under previous title D, 1.

Mr. J. Lewis Luchenbach, Industrial Adviser, approved the form of Code by memorandum of July 26, 1933. (Reference Code Record Section, approval of the Code Docket).

None of the other Advisory Boards made recommendations. (Reference Code History Folder, Deputy's Files)

3. Date of Approval

July 26, 1933 - Executive Order 3-1 (Reference Code Record Section).

4. Conditions in order of approval; industry reaction

There were no conditions in the order of approval. Industry was very apprehensive of increase of costs, probable loss of business, and delay in completing contracts due to the shortage of working hours.

The Shipbuilders resisted to the very end a reduction of maximum hours below 40 hours per week. They set forth in the hearings that a reduction to 30 hours per week, or thereabouts was economically unsound from the points of the increase of cost of construction, and the increase of employment. Subsequent history of the Industry confirms their contentions as having been substantially correct. They had to accept the 32 hours per week for naval shipbuilding and 36 hours per week for commercial shipbuilding because of the proposed opening of Naval bids on July 26, 1933.

Protests under Executive Order No. 6205-B

There were ten protests or claims of exemptions filed within the ten day period provided in the Executive Order. There is inserted in the appendix, Exhibit R, a list entitled "Protests to be taken up by the Shipbuilding and Shiprepairing Industry Committee on Monday, August 28, 1933". Of this list ten were filed on or before August 15, and within the ten day period.

These protests and/or requests are divided into three classifications as follows:

North and South Wage Differential

The Code as finally approved did not contain a dividing line as between the North and South and the Code Authority only determined a line as applied to the Atlantic Coast. No definite action was taken.

By-Laws

The By-Laws, so-called, were in fact a plan for the District and Local Committees for both Shipbuilding and Shiprepairing and a comprehensive set of Fair Trade Practices which were drawn with particular reference to the Shiprepairing Industry. They were the subject of the following:

Hearing Held August 28, 1933

Code Authority Meeting September 6, 1933
Code Authority Meeting September 11, 1933
Hearing Held September 26, 1933
Code Authority Meeting September 27, 1933
Code Authority Meeting October 2, 1933

The title of these By-Laws was changed to "Administrative Rules and Regulations" about September 6, 1933. During this time of comprehensive discussions and hearings, questions brought up by the protests and requests for exemptions were disposed of.

Labor

Protest of the New York Shipbuilding Corporation's employees against the reduction to the 32 hours per week because of the severe reduction in the pay envelopes. This matter was determined by the Labor provisions of the Code.

Protest of the employees of the American Shipbuilding Company. This was determined by the Labor provisions of the Code.

Protests of employees of the Chicago Shipbuilding Company and other Labor protests, correspondence of which cannot be located, all are believed to have been determined by the Labor provisions of the Code.

CHAPTER III - CODE ADMINISTRATION

A. General Preliminary Discussion - The Code Authority was organized without difficulty. The plan for the election was set forth in a set of By-Laws (later entitled Rules and Regulations) submitted with the Code and the election was duly carried out as set forth in this chapter under title B. The field organization was promptly set up as originally provided in the By-Laws (later entitled Rules and Regulations) as set forth hereinafter under title B, 5 of this chapter.

The Budget was on a voluntary basis and financial matters of the Code Authority were handled in a very satisfactory manner. There was no problem of collecting sufficient funds for the administration of the Code and the expenses of the Code Authority and District and Local Committees. The entire Budget was wound up in a business-like way after the termination of the Code Authority. Certain proportions of the funds were returned to members of the industry from the balance that was left. This is set forth in detail under title C of this chapter.

There were three amendments to the Code, i.e.; Amendment No. 1, dated October 10, 1933, approved by the President, which provided for six Industry members and four members to be appointed by the President, thus amending the provisions of the Code, which originally provided for five Industry members and three members to be appointed by the President (Ref. Exh. A, Appx.); Amendment No. 2, approved March 29, 1934, by Hugh S. Johnson, Administrator, modified the definition of the Industry, whereby the provisions for certain small vessels was done away with, in order that such vessels could be put under the Boatbuilding and Boatrepairing Industry (Ref. Exh. A, Appx.); Amendment No. 3 approved by Hugh S. Johnson, Administrator, April 2, 1934, changed the hours for Naval shipbuilding from 32 to 36 hours per week to coincide with Code provisions for the building of commercial bessels. (Ref. Exh. A, Apox.) This subject is fully dealt with under Chapter IV, C. Hours.

There was only one interpretation during the life of the Code, which was with reference to Part 3 (c). This provision provided for an exemption of six months to permit employment of employees for designing, etc., to exceed the maximum weekly hours. The question arose as to whether the six months period should be counted from the effective date of the Code, or from the taking of the individual contracts. It was determined in Administrative Order 2-27, signed by Barton W. Murray, Division Administrator, that this period should begin with the letting of each contract, as the object of the provision was to reduce the time necessary before the actual start of construction. The Code Authority made a number of interpretations. This subject is dealt with in detail under title D 2 of this chapter.

There were many requests for exemptions and stays due to the restricted maximum hour provisions of the Code and also due to the fact that the Code did not provide for emergency repairs or trials of vessels and equipment. These exemptions and stays were renewed from time

to time. All is set forth hereinafter in this chapter under D 3.

The individual Industry members of the Code Authority were named as the Trade Practice Complaints Committee and duly approved as set forth in detail in this chapter under title B 4 (a).

Labor became unrestful because their pay envelopes were reduced under the provisions of the Code, therefore, an Industrial Relations Committee became very necessary. This Committee was set up and effectively functioned. It was composed of three Industry and three Labor members, who admirably worked together. This subject is found in detail in this chapter under title B 4.

By-Laws (so-called) were submitted with the Code. These later were changed to the title of "Rules and Regulations". The first part of this instrument pertained principally to the field organization and its duties, the latter part pertained to Fair Trade Practice provisions. The members of the Code Authority and the Industry, under the guidance of the Deputy, worked seriously in perfecting these Rules and Regulations. They were the principal subject of consideration in three Code Authority meetings and two hearings, one of which was an open hearing and were finally adopted October 2, 1933, by the Code Authority. However, the Fair Trade Practice provisions contained matter which should have been submitted as amendments to the Code and other provisions that should have been modified in order to make them properly enforceable. Unfortunately, the Deputy did not submit these Rules and Regulations to the Administration for approval and consequently the Fair Trade Practice provisions soon were in discard, which left the Industry without proper provisions of this character. The subject is dealt with in this chapter under title B 4 (c).

The principal trade association was the National Council of American Shipbuilders, which was formed in 1921, and continued active operation throughout the period of the Code and is still active. It was the principal proponent of the Code. It collected data of interest to the Industry, issued bulletins and in other ways was a benefit to the Industry, but did not undertake any actual work of Code Administration.

The Code was not a benefit to Industry or Labor in the opinion of the author. The restricted maximum weekly hours acted to increase cost and bar commercial contracts and thereby retard the normal increase of commercial business incident to the improvement of business conditions. Employment was not increased to the extent it might have been owing to these restricted hours, as peak employment on Naval contracts was delayed and the lack of new commercial business acted to more than offset the slight increase of employment during the first few months of the Code. This subject is dealt with under Chapter IV, Operations of Code Provisions. Further, the loss of the Fair Trade Practice provisions, contained in the Rules and Regulations, left the Industry without the principal benefit it expected under the Code.

The Compliance Division's summary of complaints is as follows:

Labor Complaints	Total docketed	145
	Investigated Complaints adjusted	74
	Number violations found	42
	Bookkeeping rejections	12
	Compliance Division or Regional Office	11
	On hand May 25, 1935	6
Trade Practice Complaints docketed		6
Investigated complaints adjusted		3
No violations found		3

This summary is dated June 3, 1935, and is located in Compliance folder, Deputy's Files.

B. ORGANIZATION

The basis for the selection of the Industry Members of the Shipbuilding and Shiprepairing Industry Committee (Code Authority) was set forth in the "By-Laws (so-called) for administering and enforcing the Shipbuilding Division of the Shipbuilding and Shiprepairing Industry" and the "By-Laws (so-called) for administering and enforcing the Shiprepairing Division of the Shipbuilding and Shiprepairing Industry." (Ref. Code Record Safe and Exhs. I and J Appx.)

The following is an excerpt of a letter of August 20, 1935, from H. Gerrish Smith, President of the National Council of American Shipbuilders, to H. Newton Whittelsey, Assistant Deputy Director (Ref. Exh. N-1, Appx.).

> "I regret to inform you that there are no minutes of the meeting of the National Shipbuilders Administrative Committee and the National Committee of Shiprepairers when these Committees elected the members of the Code Authority, as the election was done by correspondence (letter ballot). The ballots are in the possession of the Secretary.
>
> "By-Laws. Immediately after the Code was signed by the President of the United States a meeting was called of all shipbuilders and shiprepairers who were proponents of the Code, the first meeting being held on August 1, 1933 for the discussion and formulation of final by-laws for the shipbuilding and shiprepairing division, as some of the provisions contained in the original code were deleted by the Administration from the Code proper but it was understood the provisions could be incorporated in the by-laws.
>
> "Companies having representatives at the meeting of August 1st, were:
>
> Newport News Shipbuilding & Dry Dock Company
> The Pusey & Jones Corporation
> Alabama Dry Dock & Shipbuilding Company
> The Maryland Dry Dock Company
> Bethlehem Shipbuilding Corporation, Ltd.
> Sun Shipbuilding & Dry Dock Company
> New York Shipbuilding Corporation
> Todd Shipyards Corporation
> Kensington Shipyard & Dry Dock Corporation
> Bethlehem Shipbuilding Corp. Ltd. (West Coast plants)
> New York & New Jersey Dry Dock Association
> National Council of American Shipbuilders
>
> "The by-laws for both divisions were gone over and after thorough discussion they were left with a drafting committee to smooth them up. This was done and on August 4th and 8th, at meetings of shipbuilders and shiprepairers the by-laws were put in form for presentation to the Shipbuilding and Shiprepairing Industry on August 9th.
>
> "At meeting on August 9th, at which representatives of the following companies were present:

The Maryland Dry Dock Company
The Pusey & Jones Corporation
Alabama Dry Dock & Shipbuilding Company
Bethlehem Shipbuilding Corporation
Todd Shipyards Corporation
Sun Shipbuilding & Dry Dock Company
Norfolk Shipbuilding & Dry Dock Company
Kensington Shipyard & Dry Dock Corp.
Newport News Shipbuilding & Dry Dock Co.
Ira S. Bushey & Sons
National Council of American Shipbuilders

the by-laws for both the shipbuilding and shiprepairing divisions were finally ironed out and adopted, and made effective at 12:01, August 14, 1933.

"It was the belief of the proponents of the Code that the adoption of the by-laws was within their power. These by-laws were submitted to all members of the Industry prior to the election of a Code Authority."

The By-Laws as revised by Industry and effective August 14, 1933, will be found in the Appendix, Exhibit I-1 and J-1, respectively.

The Shipbuilding Division By-Laws provided in part as follows:

"SEGREGATION OF THE SHIPBUILDING INDUSTRY

3. For the purpose of administering the Code the shipbuilders will be segregated, according to the location of their respective shipyards, into the following major geographical districts or groups:

(a) Atlantic Coast
(b) Gulf Coast
(c) Pacific Coast
(d) Great Lakes
(e) Mississippi and Tributary Rivers
(f) Other major groups that may come under the Code

ADMINISTRATION

4. The Code shall be administered by a Committee of not less than nine (9) members; five (5) elected from the Atlantic Coast; one (1) from the Gulf Coast; one (1) from the Pacific Coast; one (1) from the Great Lakes and one (1) from each major group that may hereafter operate under this Code. The President of the National Council of American Shipbuilders will be Chairman of the Committee but without the right to vote.

Each of the eight (8) members of the Committee elected from the Atlantic, Gulf, and Pacific Coasts and Great Lakes, shall be a representative of the Individual Members of the National Council of American Shipbuilders or signators of this Code."

The Shiprepairing Division By-Laws provided in part as follows:

"SEGREGATION OF THE SHIPREPAIRING INDUSTRY

2. (a) For the purpose of administration of the Code the shiprepairers will be segregated, according to the location of their respective shipyards, into the following major geographical districts.

(a) Atlantic Coast
(b) Gulf Coast
(c) Pacific Coast
(d) Great Lakes
(e) Mississippi River and Tributaries

(b) The shiprepairers on the Atlantic Coast will be further segregated according to the location of their respective shipyards into the following local geographical areas:

(a) New England
(b) New York
(c) Delaware River and Bay
(c) Chesapeake Bay (d)
(e) Hampton Roads, including the South Atlantic Coast.

(c) The shiprepairers on the Gulf Coast may be segregated into such local areas as they may determine to be advisable.

(d) The shiprepairers on the Pacific Coast, on the Great Lakes and on the Mississippi River and Tributaries may divide themselves into such local geographical areas as the district committee in each of these districts decides to be desirable for the purposes of these By-Laws. The local area divisions determined by them are to be stipulated in their district By-Laws provided for hereinafter.

6. As a means of providing an equitable representation on the District Committee, as hereinafter provided, the shiprepairers in each local area shall elect two representatives to serve as members of such District Committee on the following basis:

7. One representative will be elected by a majority vote of the shiprepairers where each shiprepairer shall be entitled to cast one vote.

8. A second representative shall be elected by the majority vote where each shiprepairer shall be entitled to cast one vote for each fifty of the average workmen employed by such shiprepairer on ship repair work during the preceding twelve calendar months prior to such election.

11. District Committees District Committees shall be composed of two representatives elected by the shiprepairers in each local area. Each district committee shall elect a Chairman and Vice-Chairman and such other officers as it may deem necessary.

13. The total number of the combined representatives on the District Committees of the Gulf and Pacific Coasts shall not exceed the total number of representatives on the District Committee of the Atlantic Coast.

15. The National Committee shall be composed of the Chairman elected by the respective District Committees.

16. The Vice Chairman of the District Committee shall act on the National Committee as an alternate for the Chairman of such District Committee in the event of the latter's inability to serve.

17. The National Committee shall have a Chairman, who shall be elected by a majority vote of the total number of members of the District Committees. He shall not be identified as an officer or employee of any partnership or corporation engaged in building or repairing vessels, nor shall he be entitled to vote."

The Plan submitted to the Administration by letter dated August 18, 1933, addressed to Mr. Arthur D. Whiteside and signed by the Committee representing the Shipbuilding and Shiprepairing Industry, H. Gerrish Smith and Joseph Haag, Jr. (Ref. Exh. N-3, Appx.). The letter reads as follows:

"With reference to the appointment of a Shipbuilding and Shiprepairing Industry Committee, provided for in Paragraph 8 (a) of the Shipbuilding and Shiprepairing Code, it is proposed to elect this Committee as follows, viz:

"1. An Administrative Shipbuilding Committee for the administration of the Code has been elected by the members of the Shipbuilding and Shiprepairing Industry who are engaged in building floating marine equipment. This Committee consists of three representatives of the larger shipbuilding yards on the Atlantic Coast, two from the smaller shipyards, one from the Gulf, one from the Pacific Coast, one from the Great Lakes and a Chairman who is the President of the National Council of American Shipbuilders, nine members in all.

"In carrying out the election of this Committee, consideration has been given to both large and small shipyards and those located in different geographical areas.

"2. A National Committee of Shiprepairers is in the process of election, which will be composed of six members, one from the Atlantic Coast, one from the Gulf Coast, one from the Pacific Coast, one from the Great Lakes, one from the Mississippi and tributary rivers and a Chairman without vote.

"The National Committee is elected by the District Committees which, in turn, are elected by local committees in the various local areas, thereby resulting in equitable representation. The various districts cover the entire Atlantic, Gulf and Pacific Coasts, Great Lakes and Mississippi and tributary rivers.

"The representation on this National Shiprepair Committee will therefore be six members, although for the present it may consist of only five, due to the fact that the shiprepairers on the Mississippi and tributary rivers have not yet set up their organizations.

"The Administrative Committee of Shipbuilders and the National Committee of Shiprepairers therefore equitably represent all members of the industry in all geographical locations. These combined committees will meet to elect the members of the committee called for under Section 8 (a) of the Code. Both Shipbuilders and Shiprepairers, large and small interests, will be equitably represented on this committee, giving such consideration as practicable to geographical locations.

"We trust that this method of election will be satisfactory to the Administrator and in this connection request your approval.

"Our telegram to you of August 16, 1933, may be disregarded."

Verbal approval of the method of election, set forth in the foregoing letter of August 18, was given and the Administration was advised of the election of the Industry members of the Code Committee by letter dated August 22, 1933, addressed to the Hon. Hugh S. Johnson, Administrator, signed by H. G. Smith and Joseph Hagg, Jr., for the Shipbuilders. (Ref. Exh. N-4, Appx.) This letter reads as follows:

"In accordance with the authority given me by you on Friday last for the election of a Committee under Section 8 (a) of the Shipbuilding and Shiprepairing Code, this is to inform you that the following Committee has been elected, namely:-

H. G. Smith, President, National Council of American Shipbuilders
Joseph Hagg, Jr., President, Todd Dry Dock, Engineering & Repair Corp.
S. W. Wakeman, Vice Pres., Bethlehem Shipbuilding Corporation, Ltd.
Roger Williams, Vice Pres., Newport News Shipbuilding and Dry Dock Co.
Roger Haig, Vice Pres., Sun Shipbuilding and Dry Dock Company
W. H. Gerhauser, President, Great Lakes Shipbuilding & Repair Association

"As both Shipbuilders and Shiprepairers must be represented on this committee, and as our geographical distribution is so great, we are asking your approval of a committee of six instead of five, with a possible increase later on to take care of representation for the Mississippi River and its Tributaries.

"On this committee Mr. Joseph Haag, Jr. represents the shiprepairing interests on the Atlantic, Gulf and Pacific Coast. Mr. S. M. Wakeman represents shipbuilding and shiprepairing interests on the Atlantic and Pacific Coasts. Mr. Roger Williams represents a shipyard engaged in both building and repairing merchant vessels and the building of naval vessels. Mr. Robert Haig is Vice President of a company engaged at the present time on merchant building and repairs only. Mr. W. H. Gerhauser represents the Great Lakes' interests while Mr. H. G. Smith, one of the signers of this letter, represents shipbuilding and shiprepairing interests as a whole through the National Council of American Shipbuilders.

"This committee is now ready to meet at short notice with the committee appointed by the President for the Consideration of any matters that you may wish to bring before it."

Later at the request of Mr. William H. Davis a further letter was addressed to General Johnson, Administrator, dated September 23, 1933, and signed by the Committee representing the Shipbuilding and Shiprepairing Industry, H. Gerrish Smith and Joseph Haag, Jr. (Ref. Exh. N-5, Appx.) The letter reads as follows:

"With reference to the appointment of a Shipbuilding and Shiprepairing Industry Committee, who, together with the four Presidential appointees, are to form a Planning and Fair Practice Agency, provided for in Paragraph 8 (a) of the Shipbuilding and Shiprepairing Code, as modified September 22, 1933, an Industry Committee has been elected by the following method; viz,

"(1) An Administrative Shipbuilding Committee for the administration of the Code has been elected by the members of the Shipbuilding and Shiprepairing Industry who are engaged in building floating marine equipment. This Committee consists of three representatives of the larger shipbuilding yards on the Atlantic Coast, two from the smaller shipyards, one from the Gulf Coast, one from the Pacific Coast, one from the Great Lakes, and a Chairman who is the President of the National Council of American Shipbuilders.

"In carrying out the election of this Committee consideration was given to both large and small shipyards and those located in different geographical areas.

"(2) A National Committee of Shiprepairers has been elected and is composed of six members; one from the Atlantic Coast, one from the Gulf Coast, one from the Pacific Coast, one from the Great Lakes, one from the Mississippi and Tributary Rivers, and a Chairman without vote.

"The National Committee is elected by the District Committees which in turn are elected by local Committees in the various local areas, thereby resulting in equitable representation. The various Districts cover the entire Atlantic , Gulf and Pacific Coasts, Great Lakes and Mississippi and Tributary Rivers.

"The Administrative Committee of Shipbuilders and the National Committee of Shiprepairers, therefore, equitably represent all members of the Industry in all geographical locations. These combined Committees have met and elected the members of the Committee called for under Paragraph 8 (a) of the Code as follows:

H. G. Smith, President, National Council of American Shipbuilders.
Joseph Haag, Jr., President, Todd Dry Dock, Engineering & Repair Corporation
S. W. Wakeman, Vice President, Bethlehem Shipbuilding Corporation, Ltd.
Roger Williams, Vice President, Newport News Shipbuilding and Dry Dock Company
Robert Haig, Vice President, Sun Shipbuilding and Dry Dock Company
W. H. Gerhauser, President, Great Lakes Shipbuilding & Repair Association

"We hereby request your approval of this method of election and the members of the Industry so elected."

All members of the Shipbuilding and Shiprepairing Industry Committee (Code Authority) were recognized by the Administrator, Hugh S. Johnson, on September 23, 1933, by letter addressed to H. Gerrish Smith, President, National Council of American Shipbuilders (Ref. Exh. K-1B, Appx.). The letter reads as follows:

"The amendment of Section (a) of Paragraph 8 of the Code of Fair Competition of the Shipbuilding and Shiprepairing Industry having been approved by Executive Order of the President of the United States under date of September 22, 1933, to read as follows:

'(a) To effectuate further the policies of the Act, a Shipbuilding and Shiprepairing Industry Committee is hereby designated to cooperate with the Administrator as a Planning and Fair Practice agency for the shipbuilding and shiprepairing industry. This Committee shall consist of representatives of the Ship Builders and Ship Repairers in such number not less than six as the Administrator in his discretion may from time to time determine, elected by a fair method of selection to be approved by the Administrator, and four members without vote appointed by the President of the United States. Such agency

may from time to time present to the Administrator recommendations based on conditions in their industry as they may develop from time to time which will tend to effectuate the provisions of the Code and the policies of the National Industrial Recovery Act.'

and the following-named gentlemen having been elected by a fair method of selection approved by the Administrator:

H. G. Smith Chairman
Joseph Haag, Jr., Pres., Todd Dry Dock, Engineering & Repair Corporation
S. W. Wakeman, Vice President, Bethlehem Shipbuilding Corporation, Ltd.
Roger Williams, Vice President, Newport News Shipbuilding and Dry Dock Company
Robert Haig, Vice President, Sun Shipbuilding and Dry Dock Company
W. H. Gerhauser, President, Great Lakes Shipbuilding and Repair Association

the election of those six gentlemen is hereby approved.

"Under date of September 22, 1933, the President has appointed the following four members of the Code Committee without vote:

Robert L. Hague	- Industrial and Consumer Advisory Capacity
Joseph S. McDonagh	- Labor Advisory Capacity
William H. Davis	- National Recovery Administration Representative
Capt. Henry L. Williams	- Proposed by the Secretary of the Navy

Very truly yours,

/s/ Hugh S. Johnson
HUGH S. JOHNSON
ADMINISTRATOR"

APPROVAL RECOMMENDED:

/s/ William H. Davis
WILLIAM H. DAVIS
DEPUTY ADMINISTRATOR"

2. Personnel of code authority; names, addresses, company, association or group affiliation, geographical or other representation, meetings.

Industry Members

H. Gerrish Smith, President
National Council of American Shipbuilders
11 Broadway
New York, New York

Roger Williams, Vice President
Newport News Shipbuilding and Dry Dock Company, Approx. $16,000,000 (Ref. Moody)
Norfolk, Virginia

S. W. Wakeman, Vice President
Bethlehem Shipbuilding Corporation, Ltd., Est. $30,000,000 (No report available) Subsiduary of Bethlehem Steel Corp.
25 Broadway
New York, New York (Member National Council of American Shipbuilders and Pacific Dry Dock Association)

Joseph Haag, Jr., President
Todd Dry Dock Engineering and Repair Corporation, Ltd., Subsiduary of Todd Shipyards Corp., Approx. $20,800,000 (Ref. Moody)
25 Broadway
New York, New York (Member National Council of American Shipbuilders, Pacific Coast Dry Dock Association and of the Gulf Coast Group)

Robert Haig, Vice President
Sun Shipbuilding and Dry Dock Company, Approx. $6,000,000 (Ref. Moody)
Chester, Pennsylvania (Member National Council of American Shipbuilders)

W. H. Gerhauser, President
American Shipbuilding Company, Approx. $8,390,000 (Ref. Moody)
Cleveland, Ohio (Member National Council of American Shipbuilders and Great Lakes Association)

Presidential Appointees - Executive Order 2-1A, September 9, 1933,
(Ref. Code Record Section and Exh. K-1A)

Joseph S. McDonagh (Representing Labor
International Brotherhood of Electrical Workers
1200 Fifteenth Street, Northwest
Washington, D. C.

Captain Henry L. Williams (CC) U.S.N. (Representing Secretary of Navy)
Navy Department
Washington, D. C.

W. H. Davis (N. R. A. Representative)
Washington, D. C.

Robert L. Hague (Representing Consumers)
Vice President, Standard Shipping Company
26 Broadway
New York, New York

3. Changes in Code Authority

William H. Davis, Administration Member to the Shipbuilding and Shiprepairing Industry Committee resigned and his resignation was made effective February 16, 1934. (Ref. Administrative Order 2-4, Feb. 16, 1934, signed Hugh S. Johnson, on file Code Record Section, Deputy's files, and Exh. K-4, Appx.) Mr. Davis was assigned other duties in N.R.A., being succeeded by J. B. Weaver, Deputy Administrator, for the Shipping Section of Division I, to which this Code was assigned.

Arba B. Marvin was appointed Administration Member to the Shipbuilding and Shiprepairing Industry Committee February 16, 1934. (Ref. Administrative Order 2-5, Feb. 16, 1934, signed Hugh S. Johnson, on file Code Record Section, Deputy's files, and Exh. K-5, Appx.)

Resignation of Arba B. Marvin as Administration Member October 27, 1934. (Ref. Order 2-21X, on file Code Record Section, Deputy's files, and Exh. K-21X, Appx.) Mr. Marvin resigned in order that the policy of full time Administration Member could be made effective on this Code.

Francis E. Lee, Assistant Deputy Administrator for N. R. A., appointed November 27, 1934, Administration Member to succeed Arba B. Marvin, who resigned. (Ref. Administrative Order 2-26, signed W. A. Harriman, on file Code Record Section, Deputy's files, and Exh. K-26, Appx.)

The Code Authority Industry members were selected from the leading men of the Industry and each individual was of long experience and of proven executive ability in management operations of their respective shipbuilding plants over a term of years. Also the four members appointed by the President were of high calibre and lent valuable assistance in their advisory capacities. The Chairman of the Code Authority, who was also the President of the National Council of American Shipbuilders for a term of years, was particularly well qualified by his long contact with the Industry and his

experience in shipbuilding matters. The Secretary also was the Secretary of the National Council of American Shipbuilders and consequently well versed in shipbuilding affairs.

Meetings of the Code Authority are listed below.

August 22, 1933	11 Broadway, New York
August 28, 1933	W. H. Davis' Office, Wash.
September 6, 1933	11 Broadway, New York
September 11, 1933	11 Broadway, New York
September 27, 1933	W. H. Davis' Office, Wash.
October 2, 1933	11 Broadway, New York
October 9, 1933	11 Broadway, New York
October 25, 1933	11 Broadway, New York
October 30, 1933	11 Broadway, New York
November 8, 1933	11 Broadway, New York
January 4, 1934	W. H. Davis' Office, Wash.
February 14, 1934	11 Broadway, New York
March 2, 1934	11 Broadway, New York
March 15, 1934	11 Broadway, New York
April 24, 1934	11 Broadway, New York
September 12, 1934	11 Broadway, New York
December 20, 1934	11 Broadway, New York
January 17, 1935	11 Broadway, New York
February 21, 1935	11 Broadway, New York
March 21, 1935	11 Broadway, New York
April 26, 1935	11 Broadway, New York
August 20, 1935	11 Broadway, New York

The Minutes of these meetings are in the Deputy's files.

Minutes of Meetings, Briefs and Excerpts

AUGUST 22, 1933, MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 10:30 A.M. Briefs and excerpts from Minutes. (Ref. Deputy's Files in Sec. 2).

There were present, representing the Industry, Messrs. Robert Haig, Roger Williams, Joseph Haag, Jr., A. B. Homer - representing S. W. Wakeman, H. G. Smith, and C. C. Knerr (Acting Secretary). Mr. W. H. Gerhauser was absent.

Mr. Robert Haig was asked to act as Temporary Chairman. This he agreed to do and thereupon asked for nomination for Chairman.

Mr. Roger Williams nominated H. G. Smith and A. B. Homer seconded the nomination. There being no further nominations, a vote was called and Mr. H. G. Smith was unanimously elected Chairman of the Code Committee.

The Chairman then outlined briefly the visit he and Mr. Joseph Haag had with the NRA office in Washington last Friday. He stated that the question of election of committees under both sets of by-laws was discussed with Mr. Farnsworth and Mr. Whiteside and upon request a supplemental letter was written stating how the elections had been conducted, which letter was approved by them.

Mr. Smith reported his telephone conversation with Mr. Farnsworth yesterday and stated that Mr. Farnsworth had told him that a Mr. Davis, one of the Deputy Commissioners, has been assigned to the administration of the shipbuilding and shiprepairing code. Mr. Davis was introduced to Mr. Smith over the phone and stated that the recommendations for the Presiden's Committee of Three had gone in and they were awaiting approval of same, which he anticipated would be very prompt. He informed Mr. Smith that he thought it advisable to have a meeting of the Code Committee at the earlist practicable date in order to take up matters now pending. A meeting was set for Monday morning August 28, 1933 at 10 a.m. in the offices of the NRA.

Mr. Smith stated that in the talk he and Mr. Haag had with Mr. Farnsworth, the objections set forth by the Administrator were minor ones and that the two principal objections were: 1. "A violation of the by-laws shall be considered a violation of the code". 2. The 10,000 limit on time and material work.

Question arose as to classification of vessels owned by the Shipping Board and it was decided that these vessels should be classed as merchant vessels and come under the code.

Mr. Smith reported that the Brewer Dry Dock had filed a protest with the Administrator on the shiprepairing by-laws.

The committee had before it request for exceptions from the West Coast and certain East Coast yards wherein they requested that they be permitted to operate their yards without putting in the wage increase

called for in the code because of the fact that they had maintained their wage schedules at high rates during the depression. This is a matter which will be taken up in Washington on Monday next.

Protest by the Steamship Owners against the by-laws will be one of the questions to be taken up with the Administrator on Monday next.

Protest from Condenser Service & Engineering Company, paragraph 34 and 35 of the Shiprepairing By-laws, will be taken up with the Administrator on Monday next.

Memorandum for Mr. Korndorff calling attention to the proposal to be incorporated in the Steamship Owners' Code a clause prohibiting construction of new merchant tonnage during the life of the Recovery Act will be discussed carefully when their code comes up for a hearing.

Letter of August 18th from the Maryland Dry Dock Company asking interpretation of "casual and incidental labor" was discussed and while it was thought the yard should use its own judgment as the code was very clear on this, Mr. Smith will talk the matter over with Mr. Brown.

AUGUST 28, 1933, MEETING HELD AT WASHINGTON , D. C., AT 10:00 A.M. Briefs and excerpts from Minutes. (Ref. Deputy's Files in Sec. 2).

This meeting was termed a hearing, although only members of the Shipbuilding and Shiprepairing Industry Committee (Code Committee) were present. There were present, representing the Industry, Messrs. H. Gerrish Smith, Chairman; Roger Williams; F. M. Secrest, Secretary of Great Lakes Shipbuilding and Repair Association; Joseph Haag, Jr.; Robert Haig, and S. W. Wakeman represented by A. B. Homer; representing the Administration, J. S. McDonagh; R. L. Hague, and Captain Henry Williams.

It was conducted by Mr. William H. Davis, Deputy. Mr. H. Gerrish Smith was duly elected Chairman of the Code Committee and Mr. C. C. Kneer was elected Secretary and Treasurer.

Extended consideration was given the By-Laws, (so-called) of the "Shiprepairing Division of the Shipbuilding and Shiprepairing Industry", and the By-Laws, (so-called) of the "Shipbuilding Division of the Shipbuilding and Shiprepairing Industry" which were submitted with the Code. (Ref. Volume II, Code Record Section and Exh. I and J respectively, Appx.)

It was agreed on Mr. Davis' suggestion to rename these By-Laws "Rules and Regulations", for the administration of the Code for the Shipbuilding and Shiprepairing Industry. It was also agreed that the Shipbuilding and Shiprepairing By-Laws should be combined into one instrument and the administrative provisions of the By-Laws segregated from the other part pertaining to Fair Trade Practices.

Application was received from a number of shiprepairing yards for exemption from Section 4 (b) of the Code, wherein it required the employer to pay for 36 hours of work, the equivalent of what was paid for forty hours of work prior to July 1, 1933. The matter was thoroughly discussed and conclusion arrived at as per the following excerpts:

Deputy Davis: Why is not this the action for this committee to take --to say that these requests are so wide spread that, to grant them all, would be a yielding of the whole effect of the code in that regard and that cannot be done; that the Committee is willing to consider very special cases of hardship but could not make a ruling that will exempt the whole shiprepairing industry, in effect, from the provisions of the second sentence of paragraph 4(b), because, gentlemen, if we start giving exceptions to the Code at this early stage, we will not have any Code left in a month from now.

Shall we take that action?

Mr. McDonagh: I think it is possible, before we open this thing up, that it will lead into a general wage discussion and there are many, many ramifications to this thing here and if you start breaking this thing down -- and I think you have some information on that from the American Federation of Labor to the effect that that will have some effect on the Navy Department wage scale -- if you are thinking of doing that I would like to have some of our people study it and present their views.

Deputy Davis: Without having any views at all on the detailed merits of it, I am sure if we tacitly said, without doing irreparable injury, we should stick to our code and get it working once before making exceptions at the outset.

Captain Williams: It seems to me in the shiprepairing industry there are very few mechanics who get the full 40-hour week or even 36 hours' work a week.

Mr. Smith: That is true.

Mr. Roger Williams: I move, Mr. Chairman, that no exception be made in favor of these applicants for extensions in the Code, from paragraph 4 (b).

Deputy Davis: Any objection?

Mr. Smith: I will second it.

Deputy Davis: That motion is carried. Now, that takes care of those things.

(Assistant Deputy Director's note: The particular provision of Section 4 (b) of the Code referred to, proved to be very unfair in its application to a number of small plants that had maintained wage schedules of 1929. It was particularly hard on the Pacific Coast yards, which

by agreement with the Unions had maintained the scale of 1929, through the depression and up to the time of the approval of the Code. During this period the major shipyards of the Atlantic Coast, also the Union Iron Works of San Francisco and others had reduced wage scales 15% or thereabouts. The Code in regard to these, had the effect of restoring the wage scales. However, in the case of 20 repair plants of the San Francisco Bay area and other repair plants in the Portland Oregon, and Seattle District, which had not reduced wage scales, this provision of the Code had the effect of increasing their wage scales at least 11% above the 1929 rate. This subject will be set forth in more detail hereafter in the History.)

SEPTEMBER 6, 1933, MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 10:30 A. M. For the purpose of discussing Administrative Rules and Regulations established by the Shipbuilding and Shiprepairing Industry Committee. Briefs and Excerpts from Minutes (Ref. Deputy's Files, Sec. 2).

There were present, representing the Industry, Messrs. H. G. Smith, Chairman of the Code Committee; C. C. Knerr, Secretary-Treasurer of the Code Committee; W. H. Gerhouser, President of the Great Lakes Shipbuilding and Repair Association; S. W. Wakeman, Vice-President Bethlehem Shipbuilding Corporation; Roger Williams, Vice-President Newport News Shipbuilding & Dry Dock Company; C. E. Petersen, Assistant to the Vice-President of the Newport News Shipbuilding and Drydock Company; Robert Haig, Vice-President Sun Shipbuilding & Drydock Company; Joseph Haag, Jr., President Todd Drydock & Engineering Company, representing the Administration, Captain Henry Williams, U. S. N. and Mr. Robert Hague, President Standard Shipping Company, Consumer Representatives, Messrs. Joseph S. McDonagh, Labor Representative of the International Brotherhood of Electrical Workers; W. H. Davis, Deputy Administrator NRA; G. H. Shields III, Assistant Deputy Administrator NRA.

Mr. Smith: Mr. Davis, I assume you will act as Chairman of this meeting the same as you did in Washington?

Mr. Davis: I promised in Washington that I would do something in the way of getting up a revised form of rules and regulations for this industry, - I am using that term in place of "By-laws", because there has been so much confusion in the use of the word "By-laws", between by-laws of the Association and by-laws of the Committee, that I thought it would be advisable to drop it in this connection and I have tried to do that.

I told you in Washington that we would try to work the thing out in two groups of regulations, one purely administrative, and the other regulations which really amount to interpretations of or modifications of the Code.

While we went over these proposed by-laws in Washington at our meeting, I am obliged to confess that when I attempted to revise them, a great many questions came up concerning which I was not sure that I understood their purpose, that is, of the administrative regulations, so what I have

drawn up here, we will go over, I think perhaps as we did in Washington, by reading the whole thing over first and coming back to it for discussion, paragraph by paragraph. Whether I have correctly interpreted the purpose, I don't know, but if I have not, we will try to work it out.

If everybody agrees, we will just read the whole thing over, end to end. These are only the administrative rules, and I have included in them as a subject for consideration, both the shipbuilding and ship-repairing plans, so we could see it all at once.

"The Ship Building and Ship Repairing Industry Committee (hereinafter referred to as the Code Committee) having been elected by the ship builders and ship repairers and appointed by the President of the United States in accordance with sub-paragraph (a) as amended September, 1933,"

I have drawn up an amendment of Paragraph 8 for six members of the industry and four appointees of the President, as we agreed to do, but that has not as yet been signed by the President, who has not yet returned to Washington, but I assume it will be signed some time in September.

The Rules and Regulations as drafted by Mr. W. H. Davis from the By-Laws as originally submitted are set forth in the Minutes of this meeting, beginning on page three. (Ref. Deputy's Files).

The sections and paragraphs were read one by one and discussed extensively, all of which is contained in the 130 pages of the transcript. No finite conclusions were made, as the work consisted principally of preparation of these Rules and Regulations for an open hearing, which was later held on September 26. A Sub-committee was appointed to redraft the Rules and Regulations. A further meeting was held on the same subject September 11, 1933.

SEPTEMBER 11, 1933, MEETING HELD 11 BROADWAY, NEW YORK CITY, AT 10:30 A. M. Briefs and excerpts from Minutes (Ref. Deputy's Files, Sec. 2).

There were present, representing the Industry, Messrs. H. G. Smith, Chairman of the Code Committee; C. C. Knerr, Secretary-Treasurer of the Code Committee; W. H. Gerhauser, President of the Great Lakes Shipbuilding & Repair Association; S. W. Wakeman, Vice-President, Bethlehem Shipbuilding Corp.; C. E. Petersen, Assistant to the Vice-President of the Newport News Shipbuilding & Drydock Co.; Robert Haig, Vice President, Sun Shipbuilding & Drydock Co.; Joseph Haig, Jr., President, Todd Drydock & Engineering Co., representing the Administration, Capt. Henry Williams, U. S. N., Robert Hague, President, Standard Shipping Company, Consumer Representatives; Joseph S. McDonagh, Labor Representative of the International Brotherhood of Electrical Workers; W. H. Davis, Deputy Administrator NRA.

The Sub-Committee, appointed at a previous meeting, redrafted the Rules and Regulations and they were submitted to this meeting. A very thorough discussion ensued, which is set forth in the transcript of 98 pages. The Rules and Regulations were agreed to in final form in preparation for the open hearing that followed September 26, 1933.

SEPTEMBER 27, 1933. MEETING HELD IN THE OFFICE OF W. H. DAVIS, NATIONAL RECOVERY ADMINISTRATION, WASHINGTON, D. C., at 2:00 P.M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present Messrs. H. G. Smith, Chairman, S. W. Wakeman, Joseph Haag, Jr., Robert Haig, W. H. Davis, Henry Williams, J. S. McDonagh, R. L. Hague, G. H. Shields, C. Winsnip, and C. C. Knerr, Secretary. Mr. Roger Williams was absent.

The purpose of the meeting was to go over the testimony presented at the Public Hearing on Tuesday, September 26, 1933 on the Proposed Rules and Regulations for administering the Shipbuilding and Shiprepairing Code.

The Chairman explained to the Committee the importance of having the Rules and Regulations put in final form at the earliest practicable date and that it was the desire of the elected representatives of the Committee and of the Board of Directors of the National Council of American Shipbuilders that Deputy Administrator Davis secure an Executive Approval of same, as this action would tend to stabilize the industry.

The Committee also went on record, that immediately after the Rules and Regulations are in final shape, that they should be sent out to the Industry with an announcement that said Rules and Regulations have been approved by the Code Committee and are effective as of the date of Release.

There was discussion as to the method to be adopted to handle labor difficulties arising in the industry. Mr. S. W. Wakeman described in detail the method applicable to his plants for handling disputes arising locally.

W. H. Davis explained conditions which may probably have to be met if disputes arise under the Public Works Program. Circulars Nos. 1 and 51 of the Federal Emergency Administration of Public Works (Rules Prescribed by the President) and any plan formulated should have these circulars in mind.

Mr. Davis also suggested a Shipbuilding Conciliation Board to which the employees of the yards would elect their own representatives.

The conclusion reached was that the industry members of the Code Committee should submit a plan for handling labor problems.

Mr. S. W. Wakeman was assigned a Committee of one to draw up a plan for the handling of Labor Problems and to report back at next Code Committee meeting.

The Committee then began the consideration of the Rules and Regulations together with testimony presented on September 26, 1933.

The Rules and Regulations are to be rewritten, incorporating therein the suggested changes and then sent out to the Industry as being the

Rules and Regulations adopted by the Code Committee.

Overtime

The payment of overtime after eight hours work and payment of overtime after 12 noon on Saturdays was discussed. The Code very clearly states that a rate of "not less than 1½ times the regularly hourly rates, but otherwise according to the prevailing custom of the port" shall be paid.

It was Mr. Davis' opinion that the Code is clear that the plant must pay 1½ times for overtime beyond 8 hours and it is felt that if there is no uniformity in a "port" that the real intention was that the prevailing practice in each plant would be applicable. So far as overtime on Saturday's is concerned, however, this is somewhat uncertain as any decision on this matter must take into account not only past practice but any change in conditions brought about by shorter hours under the Code Requirements. On this latter matter Mr. Wakeman is to prepare a statement of fact. The Code Committee did not go on record as rendering any decision upon either of these matters.

Committee adjourned at 5:30 to meet again at 10:30 A.M. Monday October 2, 1933.

OCTOBER 2, 1933. MEETING HELD IN THE OFFICES OF THE NATIONAL COUNCIL OF AMERICAN SHIPBUILDERS, 11 BROADWAY, NEW YORK CITY, AT 11:00 A.M. Briefs and excerpts from minutes (Reference: Deputy's files, Section 2)

There were present Messrs. H. G. Smith, Chairman, W. H. Gerhauser, Joseph Haag, Jr., Robert Haig, S. W. Wakeman, Carl E. Petersen (representing Roger Williams), W. H. Davis, R. L. Hague, J. S. McDonagh, Captain Henry Williams, G. H. Shields, and C. C. Knerr, Secretary.

The Code Committee considered further the Rules and Regulations as proposed by the Code Committee with such changes as made as a result of the Public Hearing in Washington on September 26th.

Mr. Smith raised the question as to the propriety of having the Rules and Regulations approved by the President of the United States so as to become the "law of the land". Mr. Davis reported that he had taken this matter up with Colonel Lea and that it was thought that the Code Committee had sufficient power under the code to enforce the Rules and Regulations as written and that the approval of our Rules and Regulations would establish a precedent. Mr. Davis was of the opinion, however, that if the Rules and Regulations were found to be unenforceable that he would again take the matter up with the Administrator to have them approved by Executive Order.

Mr. Davis then suggested that the Rules and Regulations be signed by each member of the Code Committee and this was agreed to.

The Rules and Regulations (Reference: Exhibit "L", Appendix)

promulgated under the authority of the Code Committee were then read and upon motion by Joseph Haag, seconded by Robert Haig, the following resolution was adopted:

RESOLVED: That these Rules and Regulations having been discussed and agreed upon are thereby adopted.

A vote was taken by the Code Committee and all answered in the affirmative.

A poll was then taken of the Presidential Appointees and they approved of the Rules and Regulations as adopted.

As Paragraph 8 (a) of the Code provided for a Code Committee consisting of five (5) Industry Members and three (3) members to be appointed by the President and as the increase in this Committee to six (6) Industry Members and four (4) appointed by the President was not approved until September 22, 1933 it was moved by Mr. Robert Haig, seconded by W. H. Gerhauser that a resolution confirming all of the previous acts of the Committee be ratified and thereupon it was

RESOLVED: That all of the acts and things heretofore done by the group constituting the code committee, pending the formal approval of the election of the industry members and the appointment by the President of the United States of four representative members, are hereby ratified and confirmed.

A roll call was taken and all answered in the affirmative.

The members of the Code Committee were handed a chart showing the organization of Shipbuilding and Shiprepairing Industry Committees for operation under the Code dated September 21, 1933. (Reference: Exhibit "L", Appendix)

On motion of Mr. S. W. Wakeman, seconded by Mr. Joseph Haag and unanimously carried it was:

RESOLVED: That the Committees appointed or elected and set up on the chart dated September 21, 1933 and attached hereto be ratified and confirmed."

Mr. Shields read a letter from the Seattle-Portland Chamber of Commerce (letter in Mr. Shields' possession) requesting exemption from paragraph 4 (b) of the Code for certain yards in that area. As other districts have asked for the same exemption and as such request has been disapproved on motion of Mr. Joseph Haag, seconded by S. W. Wakeman, the request for exemption was denied.

OCTOBER 9, 1933. MEETING HELD IN THE OFFICES OF THE NATIONAL COUNCIL OF AMERICAN SHIPBUILDERS AT 10:45 A. M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present Messrs. H. G. Smith, Chairman, W. H. Gerhauser, Roger Williams, Robert Haig, W. H. Davis, A. B. Homer (representing S. W. Wakeman), Captain Henry Williams, G. H. Sheilds III, R. L. Hague, and C. C. Knerr, Secretary. Messrs. Joseph Haag, Jr., and J. S. McDonagh were absent.

The Secretary announced that A. B. Homer was present today representing S. W. Wakeman.

North and South Dividing Line

Mr. Davis asked the status of this subject and it was announced that the Chairman was getting data together and the subject was left open to be discussed at a future meeting.

Watchmen's Force

The question of hours of labor for watchmen was discussed and Mr. Davis agreed to take in hand the writing of some clause to cover this class of workmen for consideration at a subsequent Code Committee meeting.

Protection for Handling Labor Disputes

This question was discussed at length as to what kind of an organization should be set up to handle disputes within the industry. The Code Committee has before it, at the present time, two suggestions from members of the industry and one suggestion from Mr. Joseph Franklin. The various plans will be considered and discussed at a later meeting.

Columbia River Shipbuilders and Shiprepairers Association

This association asked exemption from putting in the wage increases required under the shipbuilders code. Exemptions from various sections of the country had been previously requested and had been denied and it was felt by the code committee that the request from this association should also be denied and the Chairman was instructed to so inform them.

The Chairman was also instructed to write to C. W. Wiley, Chairman of the Seattle District, informing him that the request had been denied but that he should investigate the matter further as to feasibility of granting them an exemption, and transmit his recommendations to the Code Committee.

Portland Shipbuilding Co.
Erickson and Klep
Astoria Marine Construction Co.

This was a request similar to the Columbia River Shipbuilders and Shiprepairers Association and it was moved that the same action be taken in regard to this request.

That is, common labor must be paid not less than forty-five cents an hour and all labor in the higher brackets not less than 11-1/9 percent increase over the rates prevailing before the Code went into effect.

Wages - Charleston, Brunswick, Savannah and Jacksonville

The Chairman reported the complaint by W. A. Calvin, dated September 14th with reference to rates of pay for shipbuilding employees in Charleston, Brunswick, Savannah and Jacksonville. It was stated that shortly after the shipbuilders code was put into effect a question arose in the South Atlantic Section of the country, as well as from various other sections of the country, with reference to rates of pay in their respective localities, and the Code Committee ruled that no exceptions could be granted.

It was moved that Mr. Smith advise Mr. Calvin of this decision and that the rates prescribed by the Code should be put into effect.

Overtime Pay for Saturday Afternoons

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Labor Complaint Re: United Dry Docks & Todd Dry Docks, New York Area

Mr. W. A. Calvin in a letter dated September 19th complained that the aforesaid plants were employing their men more than the hours called for by the code and further a complaint was filed that certain men were in the employ of both companies.

Marietta Manufacturing Company

The Chairman announced he had forwarded the telegram of September 25th from C. L. Jarrett charging that this company was violating code provisions and paying a minimum wage of twenty-five cents per hour, eight hours per day, seven days per week and that he had received a letter of October 5th from the company informing him that the charge was true, but that they were fulfilling a contract on which bids were opened on April 6th and that the work carried no profit and that the contract provided for work on Sundays and Holidays and that it carries liquidated damages of $1,000 per day for non-delivery. The committee considered the circumstances and it was the opinion of the code committee that the company was in an unfortunate situation, but that the code had to be complied with.

OCTOBER 25, 1933. MEETING HELD IN THE OFFICES OF THE NATIONAL COUNCIL OF AMERICAN SHIPBUILDERS AT 11 BROADWAY, NEW YORK CITY, AT 3:00 P. M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present Messrs. H. G. Smith, Chairman, W. H. Gerhauser, Robert Haig, A. B. Homer (representing S. W. Wakeman), Roger Williams, Joseph Haag, Jr., C. W. Wiley (by invitation), W. H. Davis, Captain Henry Williams, R. L. Hague, G. H. Shields III, J. S. McDonagh, and C.C. Knerr, Secretary.

The Secretary advised the Committee that A. B. Homer was representing S. W. Wakeman.

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Brewer Dry Dock Company

Mr. Smith brought to the attention of the Committee the fact that the Brewer Dry Dock Company, a plant of considerable size in the New York Area, filed rates which were believed to be so low that they are in violation of the code as being "below reasonable cost." He stated that the rates are lower than the rates in effect before the code was signed, since which time there has been an advance in wages of at least 17 per cent in New York.

Mr. Davis commented that the Committee is confronted with a question of fact and that it would be in order for the Committee to ask the Brewer Company for a statement of fact, which statement should be certified to by a Certified Public Accountant and thereupon the following resolution was proposed by Roger Williams and seconded by A.B. Homer and read as follows:

> WHEREAS: The Brewer Dry Dock Company has filed with the Code Committee, under the provisions of Section 2 of Paragraph VIII of the Rules and Regulations, approved and effective October 2, 1933, schedules
>
> NOW, THEREFORE, BE IT RESOLVED: That a subcommittee of the Code Committee be appointed to investigate these schedules, with authority to demand and procure from the Company an immediate report and detailed statement of account, under oath, and supported by a sworn statement by a Certified Public Accountant, from the books of the Company, showing the Company's cost of direct labor and cost of materials, if any, and such an amount of overhead as has been included by the Brewer Dry Dock Company in establishing the schedules referred to, together with detailed statement, under oath, and supported by a sworn statement by a Certified Public Accountant, of actual overhead expense and volume of business from the books of the Company over a period of the past two years, and such specific information as the subcommittee may deem necessary, or the Brewer Dry Dock Company may deem advisable; and with power to fix the time when such reports shall be submitted by the Brewer Dry Dock Company to the subcommittee.
>
> AND BE IT FURTHER RESOLVED: That the subcommittee shall render its report, after investigation, to the Code Committee not later than Monday, November 6, 1933.

Work of Subcommittee of Three
Appointed by National Labor Board

Both Mr. Smith and Mr. Davis outlined the work which had been done by the Committee of Three in regard to securing information on hours and wages in the shipyards in order to make a report to the National Labor Board.

An unsatisfactory condition exists whereby:

1. Government work performed under the code on basis of 32 hours a week and

2. Work performed in Navy Yards on entirely different hours and

3. Work performed under the P. W. A. on a still different basis of hours and wages.

Statement by Mr. Davis to the effect that uniformity of practice as to working hours is important not only in the shipbuilding industry itself but with some other industries was made to the Code Committee, who concurred in this opinion. The Committee of Three is preparing a report which it is hoped to submit to the National Labor Board by November 1st.

Mr. Davis reported that he hoped to have a report in such shape so as to be submitted to the National Labor Board by the first of November in conformance with the agreement he had given to the employees' representatives. He was also of the opinion that a Public Hearing should be held before the National Labor Board as to hours of work and wages paid and that the complainants be notified of the date and invited to appear and present their cases and that industry could also appear if they so choose.

Labor Representation

The question was also discussed as to how labor should be represented in the administration of labor disputes arising under the code and as several other plans had been previously suggested, Mr. J. S. McDonagh presented the following as another method of procedure.

"For the purpose of dealing with all questions and complaints arising out of labor conditions in the shipbuilding and shiprepair yards, there shall be established a National Committee consisting of seven; one to be appointed by the Administrator of the N.R.A.; three to be selected by the shipbuilders and the shiprepairers; and three to be selected by the Metal Trades Department of the A.F. of L. with the approval of the President of the American Federation of Labor. Such National Committee shall have authority to take up and dispose of all labor questions coming to it from the employers or employees of any shipbuilding or shiprepair yard, or from any of the divisions and sub-divisions into which the shipbuilding and shiprepairing industry may be divided."

This matter is to be taken under advisement.

OCTOBER 30, 1933. MEETING HELD IN THE OFFICES OF THE NATIONAL COUNCIL OF AMERICAN SHIPBUILDERS AT 11 BROADWAY, NEW YORK CITY, AT 10:30 A.M. Briefs and excerpts from Minutes (Deputy's Files, Section 2)

There were present Messrs. H. G. Smith, Chairman, Robert Haig,

W. H. Gerhauser, . B. Homer (representing S. W. Wakeman), Joseph Haag, Jr., W. H. Davis, Captain Henry Williams, R. L. Hague, J. S. McDonagh, G. H. Shields III, and C. C. Knerr, Secretary. Mr. Roger Williams was absent.

Committee of Three
Appointed by the National Labor Board

The work of this committee was again discussed owing to the closeness of the date on which a report to the National Labor Board was promised to the employees of certain complaining yards. Much time was given to the method to be adopted to hear the complainants before the Labor Board after the report has been submitted by the Committee of Three. It has been suggested that a representative of the employees from each yard should attend.

1. Representing non-unionized employees
2. Representing unionized employees.

The plan was discarded as it was the opinion of the Committee that the men who originally made the complaints should be the ones to speak on the subject which they had presented to the Administration.

Mr. Davis stated that Mr. John Frey had gone abroad but that he had left a letter covering his thoughts and that he (Mr. Davis) would write up the report in collaboration with Mr. Smith and present same to the National Labor Board by November 1st after which a date would be set for the hearing.

Statements were made by members of the code committee setting forth the necessity of having longer hours for both naval and commercial work and further that the work performed under PWA contracts should be performed under the same hours and labor rates as provided for in the code.

Delinquency in Filing Schedules

The Chairman directed the attention of the Code Committee to the fact that many shiprepair yards, self-repairers and non-drydock repairers have failed to file the schedules called for in the Rules and Regulations. .

Brewer Dry Dock Company

Mr. Davis reported that Mr. Sauer had carried on after his meeting here in New York with Messrs. Haig and Williams and stated that Brewer Drydock, while desiring to furnish the reports requested by the Code Committee at its last meeting, hesitated on furnishing the information desired to the sub-committee which is called for in the Resolution. They prefer to give it to Mr. Davis, Deputy Administrator. The action taken by Brewer was understood by the Code Committee but it was felt nevertheless that the Code Committee should have the information but that it would have to be kept confidential within the membership of the Committee and therefore Mr. Davis suggested that a meeting be held with Mr. Grymes and Mr. Sauer on the following day with a view to

determining when and how the information would be furnished.

Emergency Work

The Chairman again brought to the attention of the Code Committee a request from the McDonagh Iron Works, Galveston, for an exemption for working men over forty hours. They stated they had endeavored to obtain additional workmen but failed, and hence worked the men in excess of Code requirements. Mr. Gerhauser cited a similar instance by Chicago Shipbuilding Company.

After thorough discussion as to the possibility of yards abusing this privilege, it was agreed that a form should be drawn up embodying thereon general regulations to cover emergency work, this form requiring certification from the managers of the plant, and emphasizing the absolute necessity of reporting on work done under emergency conditions - pointing out that failure to report is a violation of the Code and subjecting the violator to a penalty of $500.00.

The form is to be drawn up and submitted to the Code Committee for approval.

United Engineering Company, San Francisco, Cal.
Exemption, Paragraph 4 (b) of the Code

The Chairman brought to the attention of the Committee a request from United Engineering Company for exemption to Paragraph 4 (b) of the Code, stating that their rates had not been decreased during the depression, and that if the increase prescribed by the Code is mandatory upon their plant and existing differential between their plant and other plants in the San Francisco district will be increased.

In order to intelligently examine this matter, request was made through the Pacific Coast Dry Dock Association for wage scales to be submitted by all yards in the district. Upon receipt of these wage schedules the matter will be presented again to the Code Committee for determination.

United States Structural Steel Company,
Memphis, Tenn. and East St. Louis, Mo.

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Dry Dock Gangs - Emergency Work

Question arose as to exemption for men employed in operating docks, due to unusual conditions, such as change of tides - exceptionally short intervals for boat to leave dock between regular hours and overtime hours, etc.

The working of this class of employees is to be treated the same as other "emergency work", and must be reported to the Code Committee.

Dry Dock Rates. City of Portland, Oregon

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Johnson and Cochran, Norfolk District

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Guarantee Men

The Chairman reported he had circularized a number of the plants as to their interpretation of the words, "guarantee men", and the following was read into the record:

> "It is our understanding that 'guarantee men' as used therein refers to men employed on or about a vessel as a consequence of an unexpired guaranty or warranty, such men's services being engaged exclusively on the equipment or apparatus to which the guaranty applies.
>
> "In the general sense the term, 'guarantee men' has been usually used to refer to those men accompanying and acting as advisory engineers on board a vessel on which certain equipment is still subject to an unexpired guaranty. Since such men are usually considered by the Industry as being in the same catagory as ship's personnel, we believe that the intent of the Rules and Regulations was to provide for a situation wherein an owner might be compelled to carry out repairs to the ship's equipment with labor employed by the guarantor by reason of the guaranty being subject to the provision that repairs, if any, during the period of the guaranty, be performed by the guarantor exclusively."

The matter will be gone over and smoothed up, to be presented at the next meeting of the Code Committee for adoption as an interpretation, and sent to all members of the National Shiprepairing Committee, Shipbuilders Administrative Committee, and Local Area Chairmen for distribution to the yards.

Unearned Discount

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In view of the Code and the Rules and Regulations saying nothing to the contrary, and in the absence of a credit bureau, it was felt that a two percent - thirty days discount was permissible at this time. The establishment of credit terms will be taken in hand as soon as a credit committee has been appointed.

Waiving of 32-hour Week for 48 Hours for Pattern Makers on Naval Work

The Bethlehem Shipbuilding Corporation, in a letter dated October 23, 1933, requesting permission of the Code Committee to work pattern-makers 48 hours per week on naval work, in accordance with Section 3 (d) of the Code, all with the object of proceeding rapidly with the pattern work in order to speed up work in the other departments in the yard.

Before granting the request, the Bethlehem Company is to present a further statement to the Code Committee for review at its next meeting, as to the number of patternmakers involved. If possible, the statement is to give a picture of how such exemption would apply to the other yards doing naval work.

Repairs to Light Ship No. 86

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Interpretation of "Day"
Second Paragraph, Section 5-A (1) of the Code

Mr. D. R. Dunlap asked for an interpretation of what constitutes a day. As the hour of starting varies in different plants, not only in the various districts but in the same localities, it was felt that in the absence of uniformity no definite interpretation will be made at this time, but if the question arises - to inform them to go ahead and abide by what they had been doing in the past, until definite decision is made.

Standard Forms of Reports.

The Chairman reported that the committee appointed to consider the standard forms for reporting shiprepairing and shipbuilding statistics was proceeding with their work and had accomplished something, but was not ready to make a report.

Firms not in Business of Making Repairs,
but who Occasionally Perform Such Work

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Self-Repairers (Railroad and Steamship Lines)

Attention was also directed to certain steamship companies and railroads having shops doing repairing to floating equipment. It was felt that all shops doing repairing to floating marine equipment would come under the Shipbuilding and Shiprepairing Code; and investigation is to be made to get a proper definition of the meaning of the phrase in the Code - "engaged in the business of building, fabricating *****" to see whether it covers such independent companies, and if it does they will be requested to file letters of compliance.

NOVEMBER 8, 1933. MEETING HELD IN THE OFFICES OF THE NATIONAL COUNCIL OF AMERICAN SHIPBUILDERS, 11 BROADWAY, NEW YORK CITY, AT 10:30 A.M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present Messrs. H. G. Smith, Chairman W. H. Gerhauser, A. B. Homer, S. W. Wakeman, Robert Haig, Joseph Haag, Jr., Roger Williams, Captain Henry Williams, R. L. Hague, C. H. Winship, G. H. Shields III, W. H. Davis, J. S. McDonagh, and C. C. Knerr, Secretary.

Committee of Three

(Appointed by National Labor Board to Consider Wages and Hour Problems)

The report of this committee has been filed with the National Labor Board. After considerable discussion Mr. Davis said he would arrange to hold a meeting in his office at 8 p.m. Monday, November 13, 1933 with the National Labor Board; the employees who made original labor complaints, members of the Code Committee and other shipbuilders interested. This meeting is to deal with the necessity of having longer hours for both naval and commercial work in order that the weekly earnings of the men may be increased and a uniformity of hours to apply to all shipbuilding and shiprepair work.

Delinquency in Filing Schedules

This matter was discussed at the October 30th meeting of the Code Committee and as conditions have not changed in the meantime it was felt that some method should be adopted whereby such firms as have not filed schedules could be brought in line. It was suggested that a telegram should be sent out over the signature of W. H. Davis, Deputy Administrator. Thereupon the following telegram was drafted and sent to the seventeen local districts set up to administer the shiprepairing section of the Rules and Regulations.

> "It is compulsory that every member of the ship repairing industry file not later than November sixteenth with the Code Committee the schedule or schedules called for by Section VIII of the Rules and Regulations stop You are charged with full responsibility for getting these schedules in your district stop Please repeat this telegram to every member in your district and report delinquents immediately to me sending copy of report to Chairman of Code Committee."

Method of Handling Labor Disputes

Mr. Davis called the attention of the Code Committee to the lack of a committee within the industry to settle labor disputes. He cited the method adopted in the Bituminous Coal Code as being an example of what another industry has done.

The Chairman reminded Mr. Davis that two members of the Code Committee had filed suggested plans and that a plan was on record presented by Mr. McDonagh and by Mr. J. A. Franklin and that the industry had this matter continually in mind but to date had come to no agreement as to whether any plan would be suitable. The matter is still open and having the consideration by the industry members of the Code Committee.

Mr. Davis stated that any plan adopted would have to have the approval of General Hugh S. Johnson.

Research & Planning Reports

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North and South

The question of the dividing line for the shipbuilding industry between the North and South was brought up and Mr. Smith directed the attention of the Administrator to the dividing line established in the Retail Code. The matter is left over for a subsequent meeting.

Emergency Work

The Code Committee for several meetings was confronted with requests from shipbuilding and shiprepairing firms asking for exemptions in hours worked due to emergency work. It was felt by the Committee that some letter of instruction should be sent out covering this class of work and thereupon the Chairman offered a draft of letter and form for approval. The letter was gone over and the following was adopted:

> "There have come before the Code Committee numerous requests for approval of emergency work in excess of the maximum number of working hours per week prescribed in the Code of Fair Competition and Trade Practice for the Shipbuilding and Shiprepairing Industry in the United States.
>
> "The Code Committee has not granted any general approval of emergency work, and will not do so. For the time being, the Code Committee will consider special cases of emergency work, and will approve them where the facts justify such action. It must be realized, however, that unless the requests for approval of emergency work are strictly limited to unescapable emergencies the purpose of the plan which the Code Committee is now adopting will be defeated, and it will become impossible to introduce any flexibility into the application of these provisions of the Code.
>
> "Every member of the Industry is therefore urged to confine the emergency work strictly to the minimum limits, and is required, in the event of

emergency work, to submit a weekly statement on the attached form. This statement is to show the number of hours worked per man in excess of the weekly limit, the necessity therefor, and other information requested on the form, over the signature of an executive officer of your plant. This statement must also be duly notarized."

The form will be printed and sent out to all Local Area Chairmen. (See Exhibit " ", Appendix, Interpretation No. 2)

Mr. Homer moved the adoption of the form and letter and the motion was unanimously approved.

United Engineering Company

The Code Committee had before it the request of the United Engineering Company for exemption of clause 4 (b) of the Code. This matter was carried over from a previous meeting but in the meantime an investigation was made of this matter by communicating with the West Coast. The committee was in possession of the wage schedules adopted by various plants on the West Coast which reflected that most of the companies had complied with the code in establishing the rates called for under the code. The United Engineering Company report showed that no increase had been granted over what had existed before the code become effective. It was the opinion of the Board that this company should be notified to comply with the code and that the Code Committee cannot reconsider the subject - even a request for an exemption unless they bring themselves into compliance with the code and in the event they do not do so within ten days that the matter should be turned over to the Administrator. Mr. Wakeman moved and Mr. Gerhauser seconded that such action be taken. It was passed unanimously.

Guarantee Men
(See Exhibit "I-1", Appendix, Intrepretation No. 1)

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International Brotherhood of Boiler Workers, Iron Shipbuilders, Welders and Helpers

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Self Repairers
(Railroads & Steamship Lines)

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Casual and Incidental Labor

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JANUARY 4, 1934, MEETING HELD IN OFFICE OF W. H. DAVIS, DEPUTY ADMINISTRATOR, NATIONAL RECOVERY ADMINISTRATION, WASHINGTON, D. C., at 10:00 A. M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present Messrs H. G. Smith, Chairman, Robert Haig, Roger Williams, Joseph Haag, Jr., W. H. Gerhauser, S. W. Wakeman, A. B. Homer, W. H. Davis, Capt. Henry Williams, R. L. Hague, J. S. McDonagh, George H. Shields III, F. C. Waldron, C. C. Knerr, Secretary.

Plan for Distribution of Expense for Administration of the Code

The Chairman presented a plan for prorating cost of administering the Shipbuilding and Shiprepairing Code which plan had been previously discussed and approved by the Industry Members of the Code Committee. Mr. Davis stated that if the plan had been so approved he thought the administration would approve same subject to adjustment of complaints that may come in from individual shipyards. Therefore, the plan dated January 4, 1934, attached hereto, was adopted. (Reference: Page 89 hereof.

Interpretation by Code Committee in connection with negotiated price above $2500. and $7500. (Rules and Regulations - Section VIII, Paragraph (d) last sentence).

(See Exhibit "I-4", Appendix, Interpretation No. 4)

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Approval of Interpretation as to those who come under the Code

(See Exhibit "I-5", Appendix, Interpretation No. 5)

.....

Interpretation - Marietta Manufacturing Company in letter of December 29, 1933 asked for ruling as to whether machinery built in a shipyard shop for another shipbuilder under the code or not.

(See Exhibit "I-6", Appendix, Interpretation No. 6)

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Repairs to Pumps & Dredge Equipment

(See Exhibit "I-14", Appendix, Interpretation No. 14)

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Interpretation - Section VIII, Paragraph (i)

(See Exhibit "I-7", Appendix, Interpretation No. 7)

.....

Certificates of Compliance regarding Subcontract Work

(See Exhibit "I-8", Appendix, Interpretation No. 8)

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Interpretation - Section VIII, Paragraph (i)
(See Exhibit "I-9", Appendix, Interpretation No. 9)

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Lump Sum Prices
Unit Prices - Section VIII, Paragraphs (c), (d) & (e).
Separate Prices - Rules and Regulations
(See Exhibit "I-3", Appendix, Interpretation No. 3)

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Railroad Shiprepair Plants Repairing Their Own Equipment
(See Exhibit "I-13", Appendix, Interpretation No. 13)

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Port of Portland Rates

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Herreshoff Manufacturing Company

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Complaint of Eureka Boiler Works

Under date of October 19th the International Brotherhood of Boiler Makers, Iron Ship Builders, Welders and Helpers complained to General Johnson that the Bethlehem Shipbuilding Corporation refused to permit the Eureka Boiler Works to finish work on the "President Pierce" while the vessel was in the yard of the Bethlehem Shipbuilding Company and that furthermore the Bethlehem Company performed the work on the boilers originally contracted for with the Eureka Boiler Works.

This item was referred to the Chairman of the Pacific Coast District, and the report received thereon indicated that the Eureka employees were refused admittance to the decks but that the Bethlehem employees did not complete the work commenced by employees of the Eureka Boiler Works but that such work was completed by the Eureka Boiler Works after the vessel left the plant of the Bethlehem Company.

Newport News Shipbuilding & Dry Dock Company
(AIRCRAFT CARRIER - "RANGER")

The Chairman reported he had received a letter dated December 21st from the Newport News Shipbuilding & Dry Dock Company stating that the contract time of delivery of the aircraft carrier "Ranger" is May 1, 1934 and that owing to the operation of the Code, which reduced the number of working hours per week, the vessel cannot be delivered on time and requests that an exception be made in connection with the work on this vessel in the number of hours of employment per week,

making the limit for employees on an hourly rate forty-four hours instead of thirty-two, effective until the completion of the vessel.

Roger Williams informed the Committee that the matter of delivery is now before the Secretary of the Navy and that pending a determination by him as to the effective date of delivery this matter can be held in abeyance.

Credit Terms

The Chairman reported the results of a Committee meeting held in New York to consider credit terms as provided for under the Rules and Regulations. As this is a question which involves the entire industry upon motion of Roger Williams, seconded by S. W. Wakeman, it was resolved that the Secretary be instructed to circularize the industry to obtain the views with respect to the credit terms promulgated and that before action is taken by the Code Committee that it be discussed with the Steamship Owners.

Emergency Work

The Chairman reported we had received from firms located in various sections of the country numerous reports on emergency work requiring hours of labor per week in excess of those provided by the Code and that the necessity for such overtime has been certified to before a Notary Public by an official of each company in question. After discussion Mr. Roger Williams moved and Mr. Robert Haig seconded that:

> The reports listed on the statement dated January 4, 1934 covering emergency work be laid on the table for future consideration.

Code - Paragraph 3 (c)

Members of the Code Committee stated that the provisions of paragraph 3 (c) of the Code will expire on February 6th and inasmuch as the stage of completion of the plans, ordering materials, etc., was such that it would require an extension of this exception to permit the orderly flow of materials into the yard, the following resolution was moved by Roger Williams seconded by S. W. Wakeman, and carried:

> That it is necessary to the progress of preliminary work on new naval contracts, upon which the rapid employment of men in the construction of these vessels depends, that there should be a further extension for a period of six months of Paragraph 3 (c), Regulation of Hours of Work in the Code of Fair Competition and Trade Practice for the Shipbuilding and Shiprepairing Industry.

Code - Paragraph 3 (a) Overtime
(See Exhibit "I-11", Appendix, Interpretation No. 11)

The labor representatives of the Code Committee presented a

letter at this time relating to overtime in which it was claimed that overtime should be paid on commercial work after thirty-six hours a week. The matter was discussed and Mr. Davis, Deputy Administrator, gave the following interpretation, namely:

> "That overtime is not to be paid for the four hours in excess of the 36 hours in any one week but is only to be paid for hours in excess of eight hours in any one day."

This interpretation was adopted upon motion by Roger Williams, seconded by Robert Haig.

General Ship and Engine Works

The Chairman reported that the General Ship and Engine Works did not respond to the request of the Atlantic Coast District Chairman for certain papers pertaining to their bid on Lightship #86.

Code - Paragraph 4 (b) Wage Increases

Certain shiprepair plants in the San Francisco district have refused to put into effect the wage increases prescribed by the Shipbuilding and Shiprepairing code because of the fact that the prevailing wages in those plants prior to the code were already in excess of the wages applying to other plants in the district since the adoption of the code. Two requests for exemption by these plants have been denied by the code committee and these plants have not yet complied with the code.

The matter was thoroughly discussed but there was no decision as to what action is to be taken at the present time except to receive information as to detailed wage schees (schedules) in San Francisco District. Part of this information is already available with the Code Committee.

Shipping Board Vessels under Private Operation
(See Exhibit "I-10", Appendix, Interpretation No. 10)

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Harbor Rates

The classification of Harbor Craft vessels was discussed and it was considered that this is a matter that should be settled by the National Shiprepairers' Committee. Papers were referred back to this Committee.

Rules and Regulations, Section VIII, Paragraph 2 (c)

On bids for repairs to Barge Socony 219 "Jakobson & Peterson" and "McWilliams" companies submitted firm bids on job amounting to less than $2500. and on Tug Socony 18, "United Dry Docks Inc.", "Union

Engineering Company" and "Atlantic Basin Iron Works" submitted firm bid on job under $2500. and on S/S Antietam the Sun Shipbuilding & Dry Dock Company submitted a firm bid on job amounting to less than $7500. These firms were cited to the Code Committee as violating the above section of the Rules and Regulations. In several instances the repairer has acknowledged violation and has stated that same have been committed in error.

The Code Committee ruled that as this is the first instance of such violation in each case that no further action would be taken by the Committee upon these specific violations but that a repetition of a violation under this section would subject the repairer to liability of a penalty and that these particular yards should be so informed.

Rules and Regulations, Section VIII, Paragraph 3 (c)
(See Exhibit "I-12", Appendix, Interpretation No. 12)

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J. Larsen, West New Brighton, S. I.

The Chairman reported that the New York and New Jersey Dry Dock Association had protested to the Code Committee that

1. Rates filed by J. Larsen were below reasonable cost.
2. That same had not been certified
3. That J. Larsen had not submitted billing rates for use of dry docks and marine railways.

The committee was in communication with J. Larsen both by letter and telephone and to date J. Larsen has refused to submit any information to the Committee.

Before taking any action as to rates being below reasonable cost it is necessary that such rates be submitted over the certification of the ship repair yard in question.

Tentative Plan for Handling Labor Disputes
Readjustment of Hours, Wagner Committee

A tentative plan for a Labor Committee within the Shipbuilding and Shiprepairing Industry was discussed for sometime with Mr. Shields and later with Mr. Davis. There was also discussion with Mr. Davis as to the pending report of the National Labor Board upon the question of uniform hours in the performance of all work in the Shipbuilding and Shiprepairing industry. Mr. Davis informed the Committee that it was anticipated that the report of the National Labor Board would recommend 40 hours a week for the industry but that such a recommendation would be contingent upon acceptance by the industry of some plan for the handling of labor disputes and complaints. Without commitment by the members of the Committee at the meeting there was lengthy

discussion of the tentative plan which developed the desirability of some changes. Mr. Davis offered to rewrite the plan to provide for such changes and to send the revised plan directly to the members of the Code Committee for their further consideration in order that the Shipbuilding and Shiprepairing Industry might consider such revised plan and decide upon the action they would take regarding it.

FEBRUARY 14, 1934. MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 10:15 A. M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present, representing the Industry, Messrs. H. G. Smith, Chairman, Roger Williams, Robert Haig, S. W. Wakeman, W. H. Gerhauser, Joseph Haag, Jr. There were present, representing the Administration, Messrs. R. L. Hague, Captain Henry Williams, (*) Arba B. Marvin, G. H. Shields III, and C. C. Knerr, Secretary. Mr. J. S. McDonagh was absent.

The Chairman explained in considerable detail to the members of the Shipbuilding and Shiprepairing Industry its status with respect to the setting up of committees to deal with Trade Practice Complaints and Labor Complaints as provided for in the Manual for Adjustment Complaints, Bulletin #7, issued by the National Recovery Administration.

Mr. W. H. Davis, under date of February 1st, wrote a letter to the Chairman of the Code Committee, stressing the importance of immediately forming an appropriate committee to handle labor complaints, as in the absence of such a committee the NRA would be compelled to defer such questions as do arise to the State Director of the National Emergency Council. Thereupon the Code Committee took under consideration the formation of committees to handle Trade Practice Complaints and Labor Complaints.

Minutes, Code Committee Meeting

After discussion, upon motion by S. W. Wakeman, seconded by Robert Haig and unanimously carried the following resolution was adopted:

> That a Trade Practice Complaints Committee be organized and set up to be comprised of the six Industry Members and the Administration Member of the Code Authority.

Therefore, the members constituting this Committee are:

H. G. Smith, President, National Council of American Shipbuilders
Roger Williams, Vice President, Newport News Shipbuilding and Dry Dock Company
Robert Haig, Vice President, Sun Shipbuilding & Dry Dock Company
S. W. Wakeman, Vice President, Bethlehem Shipbuilding & Dry Dock Company
W. H. Gerhauser, President, American Shipbuilding Company
Joseph Haag, Jr., President, Todd Dry Dock Engineering & Repair Co.
Arba B. Marvin, Administration Member of Code Authority without vote but with veto, subject to review by NRA.

In order to further the work of the Trade Practice Committee the Code Authority passed a resolution that:

(*) To represent the Administrator in place of W. H. Davis.

The Trade Practice Complaints Committee be authorized to set up divisional, regional, or local Industrial Adjustment Agencies or use existing National District and Local Area Committees organized and functioning under the Shipbuilding and Shiprepairing Industry Code.

Committee to Consider Labor Complaints

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Minutes, Code Committee Meeting

It was the opinion of the Code Authority that a committee should be organized to handle labor complaints and upon motion by W. H. Gerhauser, seconded by S. W. Wakeman, it was resolved:

That a Committee of Three be set up as a Labor Complaints Committee and that Roger Williams, Vice President, Newport News Ship-building & Dry Dock Company is nominated as the Industrial Member of this Committee, and that Joseph S. McDonagh is recommended as a second member of the committee.

New York Local Area Organization

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Aircraft Carrier - RANGER

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Minutes, Code Committee Meeting

"That the Chairman of the Code Committee be authorized to endorse the letter of the Newport News Shipbuilding and Dry Dock Company of December 21, 1933, asking for an opportunity to work 44 hours a week on such trades as necessary for the completion of the Aircraft Carrier RANGER within the contract time."

West Coast Request for Exception to $2500 - $7500 Limitation in Bidding

The Chairman reported that the shiprepairers on the West Coast desire permission to quote foreign ship owners a firm price irrespective of the Rules and Regulations when requested to do so when the ship is not in port, as inability to bid will, in their opinion, divert the work to British Columbia as most of the vessels in question touch all ports on the West Coast from San Pedro to Vancouver.

The Code Committee thoroughly considered this situation and after discussion was of the opinion that no exception could be granted and that the yards on the West Coast must adhere to the Shipbuilding Code and Rules and Regulations for its administration with respect to bidding under Section VIII, Paragraph (c) of the Rules and Regulations.

This matter was discussed and upon motion of Roger Williams, seconded by S. W. Wakeman, it was moved that the Chairman be authorized to draw up a report on the condition of the industry and include therein the request for the same hours for the Shipbuilding and Ship-repairing yards as apply to Navy yards and that the Chairman should be accompanied by at least two members of the Code Committee to attend the conference and in addition request permission for time to speak at the conference on behalf of the Industry.

Committee of Three on Shipbuilding

The Chairman reported the status of the report to be submitted by the Wagner Committee on the request of the Shipbuilding and Ship-repairing Industry for longer hours than those called for under the Code. It is understood the recommendation now provides for a uniform 36 hours per week for both naval and commercial work with a special provision for 44 hours per week maximum on repair work with an average of 36 hours over a six months period. It is understood that the above recommendation is now before the President for action.

Defintion for Shipbuilding and Shiprepairing Code

The NRA has before it a proposed Code for the Boatbuilding and Boatrepairing Industry. The definition for boatbuilding and boatrepairing is such that it is in conflict with the definition for shipbuilding and shiprepairing and therefore it is important that a new definition should be arrived at to show more clearly the line of demarcation between the two codes. Questionnaires have been submitted to the Industry and from an analysis of same, definition has been arrived at which is in close agreement between the proponents of the two codes and administration.

While the proposed definition for the Shipbuilding and Shiprepairing Industry is not as yet entirely satisfactory to all members it was nevertheless resolved:

> That authority is given to the Chairman of the Code Committee to submit a proposed defintion for Shipbuilding and Shiprepairing to meet as closely as possible the objections that have been offered by various members of the Industry.

MARCH 2, 1934. MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 2:15 P. M. Briefs and excerpts from minutes (Reference: Deputy's Files, Section 2)

There were present, representing the Industry, Messrs. H. G. Smith, Chairman, Roger Williams, W. H. Gerhauser, Joseph Haag, Jr., Robert Haig, and S. W. Wakeman; representing the Administration, Messrs. A. B. Marvin and Henry Williams and C. C. Knerr, Secretary-Treasurer, Messrs. J. S. McDonagh and R. L. Hague were absent. Mr. P. T. Keresey (Chairman's Staff) was also present.

Industrial Relations Board

The Chairman reported that he was in receipt of a letter dated

February 21, 1934 from J. B. eaver, Deputy Administrator, Shipping Section, with reference to setting up within the Industry of a Committee for the handling of labor disputes to be known as the "Industrial Relations Board". The Administrator suggests that this Board should consist of six members; three to be appointed by the Administrator from nominations by the Labor Advisory Board and three to be appointed by the Code Authority to represent Industry, and a seventh member to be appointed by the other six members.

The contents of this letter were discussed at length, and upon motion by Mr. Robert Haig, seconded by Mr. W. H. Gerhauser the following resoltuion was offered and adopted:

"That the Industry set up an Industrial Relations Committee consisting of three representatives of Industry, three representatives of Labor, and a seventh member to be selected by the other six, with the understanding that if this Committee is set up, that the longer hours and other provisions of the report of the National Labor Board concerning hours and wages relating to the Industry be promptly approved by such governmental agency as necessary to make it effective, and with the further provision that the Labor Members of the Committee be properly representative of the employees engaged in the Industry, and

"Provided furtner, that the plan of organization of such a Committee be substantially along the lines of a plan already prepared by the Industry and commented upon by Mr. W. H. Davis and which is in general satisfactory to the Industry."

Revision of Rules and Regulations and Code

The Chairman reported that a meeting was held in the morning with members of the Shipbuilding and Shiprepairing Industry and the members had adopted certain resolutions with the suggestion that they be presented to the Code Authority for action. These resolutions were as follows:

Resolution No. 1

"That action be taken instituting lump sum bidding on the Atlantic Coast on steamship work on a basis of Labor, Material and seventy-five percent Overhead on Direct Labor, as a minimum price, plus Drydocking, to go into effect promptly and remain effective until such time as the Code Committee decides otherwise."

Resolution No. 2

"That the limitations in bidding shown in the Rules and Regulations under Section VIII, second paragraph of 2 (c) be increased."

Resolution No. 3

"That the thirty day provision as to filing of rates be

eliminated from Section VIII, Paragraph 2 (a)."

There were referred to the Code Authority the above three resolutions in connection with the Rules and Regulations and Paragraph 7 (a) of the Code. Action upon these matters was taken by the following resolution offered by Roger Williams and seconded by W. H. Gerhauser, and unanimously carried:

"WHEREAS The Rules and Regulations for the Administration of the Code of Fair Competition and Trade Practice for the Shipbuilding and Shiprepairing Industry in the United States have been violated with such frequency as to be detrimental to the Industry; and

"WHEREAS There has been no conclusive action taken by an enforcement authority; and

"WHEREAS The Code Committee has been informed by the National Compliance Director that the Rules and Regulations are unenforceable and otherwise defective in many respects; and

"WHEREAS There seems to be a general demand within the Industry for modifications and improvements

"THEREFORE, BE IT RESOLVED: That the Shipbuilding and Shiprepairing Code be re-written with a view to including therein all necessary and proper features for its administration, regulation and enforcement; and

"BE IT FURTHER RESOLVED: That the re-writing of the Code be postponed until immediately following the first meeting of the Code Committee following the general meeting of all Code Authorities called by the Administrator in Washington, commencing March 5, 1934."

Trial Trip Crews

The Chairman reported that the following letter under date of February 14th had been received from the New York Shipbuilding Corporation:

"We have transferred twenty-three (23) men from an hourly rate to a weekly rate to form a crew for continuous operation and tests on the Cruiser TUSCALOOSA, as necessary. As operating parts are finished this crew will be added to under the same arrangement. This has been done with the full consent of each individual man, all of whom have agreed, and their rate is based on some margin above the hourly rate multiplied by fifty-six (56) hours.

"It is expected that these men will work 56 hours per week. It is impossible to do anything else because qualified men can not be obtained. This will be a nucleus of the crew which will take the TUSCALOOSA on both the Builder's trial and the

Preliminary Official Trial."

The letter was discussed and as the request was reasonable in that it is wholly impracticable to carry on trial trips with the complicated character of a naval vessel except by a minimum change in the operating crews, upon motion by Robert Haig, seconded by W. W. Gerhauser it was resolved and carried

"That exception may be made in the number of hours of employment for employees of shipbuilders or shiprepairers engaged in the conduct of preliminary and official trial trips incident to the completion of work on a vessel."

Extension of Provisions of Section, Sub-Section (c) of Code

For the record the Secretary read the Administrative Order 2-3 dated February 1, 1934 extending the provisions of Section 3, Subsection (c) of the Shipbuilding and Shiprepairing Code which is as follows:

Executive Order No. 2-1 A.
Paragraph 8, Sub-Section (a) of Code

The Secretary read Executive Order No. 2-1 A, dated September 9, 1933, which is as follows:

"I have appointed the following-named persons as members of the Ship Building and Ship Repairing Industry Committee to be established as a Planning and Fair Practice agency under Paragraph (8), Section (a), as amended, in the Code of Fair Competition of the Ship Building and Ship Repairing Industry.

Robert L. Hague	- Industrial and Consumer Advisory Capacity
Joseph A. McDonagh	- Labor Advisory Capacity
William H. Davis	- National Recovery Administration Representative
Capt. Henry Williams	- Proposed by the Secretary of the Navy

"Please communicate these appointments to the persons named.

"Very truly yours,

"FRANKLIN D. ROOSEVELT"

Lightship No. 86 - General Ship & Engine Works

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Unit Prices - Government Work - Interpretation No. 3

The Chairman reported his conferences with Officers of the War Department in regard to the Army's request for unit prices on bids covering repairs to equipment owned and operated by the Quartermaster Corps and United States Army Engineers. It was learned that the Army could not change its present practice without reference to the Comptroller General, and therefore, the Army promised to refer the Code Authority's complaint to the Comptroller General of the United States for a ruling.

The Chairman of the Code Authority further reported that considerable difficulty was being encountered in enforcing its Interpretation No. 3 owing to the insistence of the Army on having unit prices furnished and in view of the Army referring the matter for decision to the Comptroller General, the Chairman reported that he had sent the following telegram to all Local Area Chairmen and District Committee Chairmen:

> "Reference to Interpretation Number three submission unit prices stop It is necessary to suspend this provision as regards Government work for the time being pending settlement the matter between governmental departments and Comptroller General stop You may therefore submit bids in accordance with specifications furnished stop Notify all firms your district stop Telegram sent to all local area chairmen and district chairmen."

Upon motion by Robert Haig, seconded by W. H. Gerhauser the action of the Chairman was ratified.

Conflicting Code Provisions

The Chairman reported that a hardship was being worked on certain members of the Industry due to the difference of hours and wages provided in other Codes in manufacturing materials which are also built in shipbuilding and shiprepairing yards when bids are asked from firms operating under different Codes.

Executive Order of February 8, 1934 Relative to Rules and Regulations for Posting or Displaying Provisions of Codes

The Chairman reported that the Code Authority had received between meetings the above Executive Order and Rules and Regulations, prepared by the Administrator, setting forth the necessary provisions to carry out the purposes and intent of said Executive Order. In compliance with this Order and Rules and Regulations, Bulletin No. 1, a copy of which is attached, was issued.

The Chairman called the attention of the Code Committee to the above Executive Order and Rules and Regulations governing the posting of labor provisions and stated that additional printed instructions in connection with this matter are expected from the Administrator's Office within a few days, at which time the members of the Industry will be informed as to what documents must be posted.

MARCH 15, 1934, MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT

3:00 P. M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section)

There were present, representing the Industry, Messrs. H. Gerrish Smith, Chairman, Roger Williams, W. H. Gerhauser, Joseph Haag, Jr., and Robert Haig; representing the Administration, Messrs. Arba B. Marvin, Robert L. Hague, Captain Henry Williams, and J. S. McDonagh, Mr. S. W. Wakeman was absent. Others present were J. B. Weaver, Deputy Administrator, G. H. Shields III, Assistant Deputy Administrator, W. M. Laughton, and P. T. Keresey, Chairman's Staff.

Opening of a Bank Account

The treasurer announced that it would be necessary to authorize some depositary for the monies received in connection with the operations of the Shipbuilding and Shiprepairing Code and thereupon on motion of Roger Williams, seconded by W. H. Gerhauser, it was

RESOLVED: That an account or accounts be opened for and in the name of this Association with THE NATIONAL CITY BANK, 26 Broadway, and that the said Bank is hereby authorized to pay or otherwise honor any checks, drafts, or other orders issued from time to time for debit to said account or accounts when signed in any manner in the name or on behalf of this Association by

H. Gerrish Smith, Chairman, and
C. C. Knerr, Treasurer, jointly

either in an official capacity or otherwise, inclusive of any such favor of any said person(s), and that the said account or accounts be reconciled from time to time by said person(s), or his or their designees.

Administrative Orders

Re: Resignation of W. H. Davis as Administrator's Representative

The Chairman read the following order to the Committee:

RESIGNATION OF ADMINISTRATION MEMBER OF THE SHIPBUILDING AND SHIPREPAIRING INDUSTRY COMMITTEE FOR THE SHIPBUILDING AND SHIPREPAIRING INDUSTRY
ORDER NO. 2-4

* * * * * * * * * * * * *

Re: Appointment of Arba B. Marvin as Administrator's representative

The Chairman read the above order which is as follows:

ADMINISTRATIVE ORDER NO. 2-5
APPOINTMENT OF SUCCESSOR ADMINISTRATION MEMBER
SHIPBUILDING AND SHIPREPAIRING INDUSTRY COMMITTEE FOR
THE SHIPBUILDING AND SHIPREPAIRING INDUSTRY

* * * * * * * * * * * * *

New York Local Area Committee

The Chairman read to the Committee a letter received from the New York Local Area Chairman dated March 10th, 1934 in which was set forth the reorganized committee in compliance with a plan approved by the Code Committee at its meeting on March 2, 1934.

"The Committee is composed of the representatives of the following named associations.

Joseph Hagg Jr., Todd Dry Dock, Engineering and Repair Co.
Francis S. Bushey, Ira S. Bushey and Sons, Inc.
LeRoy W. Caddell, Caddell Dry Dock and Repair Co.
Irving D. Jakobson, Jakobson and Peterson
Charles S. Hallock, United Dry Docks Inc.
Representatives of NEW YORK AND NEW JERSEY DRY DOCK ASSOCIATION

George E. Monroe, Nymo Engineering Co.
John J. Alexander, Alexander, Reid and Co.
John K. Collings, Turbine Engineering Co.
Representatives of INDEPENDENT SHIPREPAIRERS' ASSOCIATION

Andrew Baxter, Jr., Federal Composition and Paint Co.
Representative of the MARINE PAINTERS' ASSOCIATION

At the meeting held on March 5th the Committee elected the following officers.

Joseph Haag, Jr., Chairman
George E. Monroe, Vice Chairman
Joseph Haag, Jr., Treasurer
LeRoy W. Caddell, Secretary

On motion of J. H. Germauser, seconded by Roger Williams, the set up of the Committee as shown above was approved. While the Local Area Committee asked approval by the NRA, Mr. Shields informed the Code Authority this was unnecessary.

Lightship #86 - General Ship and Engine Works

At the Code Committee meeting October 30th Mr. Shields presented a complaint filed by I. L. Snow and Company on bid of General Ship and Engine Works submitted on repairs to Lightship #86, charging that the bid submitted was below cost.

Estimates were furnished by the other bidders on this job but the General Ship and Engine Works failed to furnish the information.

The Chairman reported to the Code Committee that all papers concerning the bids on Lightship #86 under contract to be repaired by the General Ship and Engine Works had been submitted to the Assistant Deputy Administrator on January 15, 1934 and that no information of any kind up to date has been received on this complaint.

Mr. Shields reported that this protest was now in the Compliance Division but as the contract is between a government department and a private contractor it has been referred to Comptroller General McCarl for a ruling. Previously the Comptroller General had ruled that a firm did not have to be a member of a Code to be eligible to receive a government contract but that they must, however, after receiving a contract, comply with the Code pertaining to the Industry.

Revision of Rules and Regulations and Code

The Chairman reported that the Code Committee had passed a resolution on March 2nd laying on the table certain resolutions pertaining to changes in the Rules and Regulations and the Code. The three resolutions were taken off the table and discussed. The resolutions are as follows:

Resolution #1 - "That action be taken instituting lump sum bidding on the Atlantic Coast on Steamship work on a basis of Labor, Material and seventy-five percent Overhead on Direct Labor, as a minimum price, plus Drydocking, to go into effect promptly and remain effective until such time as the Code Committee decides otherwise.

Resolution #2 - That the limitations in bidding shown in the Rules and Regulations under Section VIII, second paragraph of 2(c) be increased.

Resolution #3 - That the thirty day provision as to filing of rates be eliminated from Section VIII, Paragraph 2 (a).

Mr. R. L. Hague, the consumers' representative, stated that if such resolutions were passed on to the Administration in the absence of his having statistical data, especially on Resolution #1, he, as a consumer, would have to object to the formula set-up. Mr. Hague stated that since the operation of the Code his bill for repairs ranged from 15 to 20 percent higher.

Mr. J. B. Weaver was of the opinion that the code should be amended and rewritten as there are a lot of loose ends which could be rectified when the code was being redrafted. Mr. Roger Williams in speaking of the resolutions was of the opinion that no action be taken on them but stick to the provisions of the code until the code is rewritten and that it should be rewritten immediately.

Mr. Germauser suggested that a subcommittee of the Code Committee be appointed to amend the code and he therefore made the following motion:

> "That the Chairman be empowered to appoint a committee to work with the Administration representatives in redrafting the code, taking into account the three resolutions tabled at the meeting of March 2nd., together with all the matters which have been discussed from time to time and which should be considered in connection with redrafting the code and further that the Chairman be authorized to employ Counsel if found necessary."

Motion was seconded by Roger Williams and carried and the Chairman announced he would make these appointments promptly.

Rules and Regulations, Section VIII, Paragraph 2.

The Committee again took up discussion of Resolution #3 tabled at the Code Meeting of March 2nd, and after discussion, Mr. Roger Williams moved, seconded by Mr. Robert Haig:

> That the thirty (30) days notice requirement for the filing of schedules of Billing Rates under Section VIII, Paragraph 2 of the Rules and Regulations be rescinded.

All members voted in favor of this resolution and the industry will be notified accordingly.

Industrial Relations Committee

The Chairman called to the attention of the Committee a letter dated March 10th from J. B. Weaver, Deputy Administrator, in response to a letter of March 2nd, 1934, from the Code Committee, relative to the set-up of an Industrial Relations Committee. These letters were as follows:

March 2nd, 1934.

"Dear Sir:

The Code Authority of the Shipbuilding and Shiprepairing Industry at a meeting held this day, by majority vote, passed the following resolution:

'That the Industry set up an Industrial Relations Committee consisting of three representatives of Industry, three representatives of Labor, and a seventh member to be selected by the other six, with the understanding that if this Committee is set up, that the longer hours and other provisions of the report of the National Labor Board concerning hours and wages relating to the Industry be promptly approved by such governmental agency as necessary to make it effective, and with the further provision that the Labor Members of the Committee be properly representative of the employees engaged in the Industry, and

Provided further, that the plan of organization of such a Committee be substantially along the lines of a plan already prepared by the Industry and commented upon by Mr. W. H. Davis and which is in general satisfactory to the Industry.'

Under the conditions outlined, the Code Authority is prepared to appoint the Industry members of the Committee.

Sometime ago the Industry outlined a proposed plan for the consideration of Labor Disputes which plan was submitted to and commented upon by Mr. W. H. Davis. A revised plan to provide for a Committee of Seven instead of a Committee of Three will be along the lines of the previous plan and is being prepared and will be submitted to you within a very few days.

Very truly yours,
(Signed) H. G. Smith,
Chairman."

NATIONAL RECOVERY ADMINISTRATION

WASHINGTON, D. C.

March 10, 1934.

Mr. H. Gerrish Smith, Chairman
Shipbuilding and Shiprepairing Code Committee,
11 Broadway,
New York, N. Y.

Dear Mr. Smith:

The Labor Advisory Board has refused to recommend the appointment of a man to represent labor on the Labor Complaints Committee for the Shipbuilding and Shiprepairing Industry. Their position is based on the fact that an Industrial Relations Board has been discussed and a Resolution has been passed authorizing such a Board and that they believe this Board should be definitely established before they take action on the Complaints Committee. In view of the provisos attached to your Resolution authorizing and Industrial Relations Board, the Labor Advisory Board feels that undue obstacles are being placed before the setting up of this Board.

I find their refusal to appoint a man to the Labor Complaints Committee indefensible. However, I do agree with them that the provisos attached to the Industrial Relations Board set-up are out of order. I want to take this opportunity to inform the Code Authority that until such time as this Board is established, without strings attached in the form of provisos, and empowered to handle not only labor disputes but also broad labor questions without restriction, this office will not consider petitions for exceptions, exemptions, etc. Furthermore, it cannot be expected that the Recovery Administration will amend the Code in order to clear up the hour question without such a Board being established although it is agreed that the question will not be turned over to this Board for settlement but rather that we will press for a decision from the National Labor Board and a subsequent amendment of the Code independent of this Board once it is established.

Serious doubt has been raised in my mind as to the truly representative character of the existing Code Authority. This is evidenced not only by the fact that there is no representation from the shore shops on the Code Authority but also from the fact that following a conference of the members of the Industry located in and around New York at which some immediate amendments were decided upon, the Code Authority determined to delay action. Furthermore, the representation of the Gulf and Pacific Coasts would not appear to me to be entirely satisfactory. The men on the Code Authority representing these Districts do so by virtue of the fact that plants subsidiary to their main plants are located in these districts.

It may be, of course, that it is impossible for members on the Pacific and Gulf Coasts to attend meetings of the Code Authority. If this is the case it will perhaps be desirable to decentralize in some

manner and give more local autonomy to the different regions.

In conclusion it is my understanding that a meeting of the Code Authority will be called immediatly now that the conferences are completed here, to outline a plan of procedure. It seems desirable either that the meeting be held here or that I come to New York for it inasmuch as I believe it would be mutually beneficial if I could attend that meeting in order that the Industry and myself may be perfectly clear on our future course of action.

Yours very truly,
(Signed) J. B. Weaver
Deputy Administrator.

The Chairman took exception to the language used in the second paragraph of the letter.

Mr. Weaver explained his position in connection with request of the industry for a longer work week and stated that the NRA and people connected with it did not have the power to push through decisions of the National Labor Board. He urged that the industry set up a Board that can act on exemotions, wage rates, etc., and that a resolution should be adopted somewhat along the lines passed on March 2nd but without any limiting restriction.

Roger Williams asked Mr. Weaver if we set up this Board today without any strings attached to it would it remove the difficulty in getting a decent break on hours for the rest of the industry, i.e. straight 36-hour week for our industry and smooth it out for exceptions to the working hours and which will permit Newport News to finish the "Ranger" which the government wants. Mr. J. B. Weaver replied "It will."

There was further discussion of the need for an Industrial Relations Committee with comments by Mr. Robert Haig, J. B. Weaver and the Chairman.

On motion of Mr. Robert Haig, seconded by Roger Williams, the following resolution was read and adopted:

> "There shall be constituted by appointment of the Administrator for the Shipbuilding and Shiprepairing Industry an Industrial Relations Committee, to be composed of seven (7) members: three (3) to be nominated by the Code Authority to represent the employers, three (3) to be nominated by the Labor Advisory Board of the National Recovery Administration to properly represent the employees in the industry, and one (1) to be selected by the other six."

Mr. Jos. Haag Jr. was recorded as not voting, as the New York and New Jersey Dry Dock Association were not willing to vote in favor of an Industrial Relations Committee without passing upon the plan finally set up for such a Committee.

As the original resolution provides for three industry members, Mr.

Roger Williams made a motion

> That the Chairman of the Code Authority be authorized to to nominate the three Industry Members of the Industrial Relations Committee.

Motion was seconded by Mr. W. H. Gerhauser. The vote was as follows: Messrs. Gerhauser, Williams, Smith and Haig in the affirmative. Mr. Jos. Haag Jr. recorded as "not voting".

Interpretation - Whether a ship owner is entitled to replace materials supplied by a shiprepairer rather than pay for such materials on the basis prescribed by the Rules and Regulations.

The above question was submitted to the Deputy Administrator under date of March 9th, and under date of March 13th, Geo. H. Shields, Assistant Deputy Administrator informed the Code Committee as follows:

> "Mr. Weaver is of the definite opinion that the material in question should be charged for on the basis of the Rules and Regulations and does not feel that a yard is compelled to accept replacements."

Overtime - Interpretation relative to payment of Overtime after 12 o'clock Midnight.

.....

Interpretation - Permission to work men additional hours on Commercial Work after working 32 hours on Naval Work.

....

General Shipping Code

> "Mr. Weaver has asked me to inform you that ship companies, if employing regular land crews for maintenance and repair, will have to abide by the hours and wages of the Shipbuilding and Shiprepairing Code, but that maintenance men at sea will be guided according to the clause in the General Shipping Code."

Durable Goods Committee

> RESOLVED, That the Chairman of the Code Authority is hereby authorized to contribute up to $500. toward the expenses of the DURABLE GOODS COMMITTEE appointed at the request of General Johnson during the meetings of Code Authorities and Code Committees in Washington March 5 - 8, 1934, to investigate and report on conditions in the DURABLE GOODS INDUSTRY.

APRIL 24, 1934. MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 2:15 P. M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present, representing the Industry, Messrs. H. G. Smith, Chairman, Roger Williams, Joseph Haag, Jr., W. H. Gerhauser, S. W. Wakeman; representing the Administration, Messrs. A. B. Marvin, R. L. Hague, J. S. McDonagh, and Captain Henry Williams, also C. C. Knerr, Secretary. Others present were Messrs. H. N. Whittelsey, Assistant Deputy Administrator, and P. T. Keresey, Chairman's Staff.

Mr. Whittelsey, Assistant Deputy Administrator, was introduced by the Chairman to the members of the Code Authority. The Chairman stated that Mr. Whittelsey was representing Mr. J. B. Weaver and asked if he had any message for the Code Authority from Mr. Weaver. Mr. Whittelsey replied that he had none.

The Code Authority then proceeded to take in hand the matters appearing on the agenda.

Administrative Order #2-11. Amendment No. 3, Hours in the Code

The Secretary reported that he was in receipt of a certified copy of Administrative Order #2-11 covering a modification of the Code in regard to hours of work. This modification was covered in Code Authority Bulletin 5, dated April 16th, copy attached, which was sent to all interested parties through the Local Area Chairmen.

Administrative Order #X-7 - Posting Labor Provisions

The Secretary reported that he was in receipt of a certified copy of Administrative Order #X-7, dated February 28, 1934, with regard to regulations governing the posting of labor provisions of Codes of Fair Competition.

Administrative Order #X-10 - Statistical Reports from members of Industries.

The Secretary reported that he was in receipt of a certified copy of Administrative Order #X-10 requiring certain statistical reports from members of industries subject to Codes of Fair Competition.....

Administrative Order #2-6 - Application of Jutton-Kelly Co.

The Secretary reported he was in receipt of a certified copy of Administrative Order #2-6, approving application of Jutton-Kelly Company for exemption from the provisions of Article 3, Section (b) of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, approved by the Administrator on March 1, 1934.

Administrative Order #2-7 - Approving Application of Newport News S/B & D/D Co. for exception from the provisions of Article 3, Section (b) of the Code.

The Secretary reported he was in receipt of a certified copy of Administrative Order #2-7 approving the application of the Newport News Shipbuilding and Dry Dock Company for exception from provisions of Article 3, Section (b) of the code. This order was covered in Code Authority Bulletin No. 4, dated March 23rd, copy attached, and it was sent to all interested parties through the Local Area Chairmen.

Executive Order #6646 - Re: Government Contracts

The Secretary reported he was in receipt of a certified copy of Executive Order No. 6646 concerning Government Contracts, and contracts involving the use of Government funds. This order was covered by Code Authority Bulletin No. 3, dated March 19, 1934, copy attached, and it was sent to all interested parties through the local area chairmen.

Executive Order #6632 - Creation of National Review Board

The Secretary reported he was in receipt of a certified copy of Order #6632 covering the creation of the National Review Board. This order was covered in Code Authority Bulletin No. 4, dated March 23, 1934, copy attached, and it was sent to all interested parties through the Local Area Chairmen.

Executive Order #6606-F - Re: Interpretation and Application of Certain Provisions of Codes as they may affect Handicapped Workers.

The Secretary reported he was in receipt of a certified copy of Executive Order #6606-F prescribing rules and regulations for the interpretation and application of certain labor provisions of codes as they may affect handicapped workers. This Order was covered in Code Authority Bulletin No. 4, dated March 23, 1934,

copy attached, and it was sent to all interested parties through Local Area Chairmen.

Executive Order No. 6580)
Executive Order No. 6612-A) Re: National Labor Board

The Secretary reported he was in receipt of a certified copy of Executive Order No. 6580, dated February 1, 1934 conferring additional duties upon the National Labor Board, and Executive Order No. 6612-A, dated February 23, 1934, amending Executive Order No. 6580. These two Orders were covered as Items 2 and 3 in Code Authority Bulletin No. 4, copy attached, and distributed to all interested parties through the Local Area Chairmen.

Executive Order No. 6590-A - Delegation of Authority by the President to the Administrator for Industrial Recovery.

The Secretary reported he was in receipt of a certified copy of Executive Order No. 6590-A, relative to delegation of authority to the Administrator for Industrial Recovery to prescribe rules and regulations governing amendments, modifications, exceptions, etc., to approve codes. This order was covered as Item 3, in Code Authority Bulletin No. 4, copy attached and sent to all interested parties through the Local Area Chairmen.

Authorization for Code Authority to Handle Labor Complaints on Reference and Labor Disputes

The Chairman read a letter dated March 30th, 1934 from Mr. K. M. Simpson, Division Administrator to Mr. H. Gerrish Smith, Chairman of the Code Authority, which read as follows:

"Dear Mr. Smith:

You are hereby granted authorization to handle labor complaints on reference, and labor disputes for a period of sixty days from date hereof.

Within said time there shall be presented a complete plan of procedure for handling such complaints and disputes to the N.R.A. for examination and approval by the Administrator.

Very truly yours,

K. M. Simpson,
Division Administrator"

A copy of the communication was ordered to be sent to the Industrial Relations Committee and the original placed on file.

Budget for Code Authority

The Chairman of the Code Authority reported that at the January 4th meeting of the Code Authority a budget was adopted totalling $28,500 for expenses of the National Organization and that in the meantime the expenses of the Atlantic and Gulf Coast District Committees had been reported as $8,470 and the expenses of the Atlantic Coast and Gulf Coast Local Area Committees were $6,511 or a grand total of $43,481, and that up to April 23rd the Code Authority was in receipt of funds to the extent of $21,584.

The Chairman further reported that the National Council of American Shipbuilders had made expenditures from its own funds for the carrying on of Code Authority work and that up to and including March 31, 1934 had expended a total of $14,276.15 which amount, together with the amounts set up by the District and Local Area Committees should be reimbursed.

In view of the funds in hand being insufficient to pay all amounts requested some method of proper allocation must be determined upon and upon motion by Mr. W. H. Gerhauser, seconded by Mr. Joseph Haag, the following resolution was adopted:

> RESOLVED: That a Committee of Two be appointed by the Chairman to audit the bill of the National Council of American Shipbuilders; and
>
> BE IT FURTHER RESOLVED: That the committee be and is hereby empowered to determine the distribution of funds in hand at this time.

The Chairman in accordance with the above resolution thereupon appointed Mr. Robert Haig and Mr. Roger Williams to act as this Committee of two.

Industrial Relations Committee

The Chairman reported that between meetings he had nominated Messrs. L. Y. Spear, G. H. Bates and J. B. Woodward as the three members to represent the employers on the Industrial Relations Committee of the Shipbuilding and Shiprepairing Code.

After the official appointment by the Administrator, Mr. G. H. Bates submitted his resignation as a member and thereupon the Chairman nominated Mr. James Swan.

Upon motion of Mr. S. W. Wakeman, seconded by Mr. W. H. Gerhauser the action of the Chairman in the selection and nomination of the appointees was confirmed.

The Secretary then read the certified Administrative Orders Nos. 3-8 and 2-13 covering the appointment of the three industry members of the Industrial Relations Committee which reads as follows: .....

Location of Office of Industrial Relations Committee

RESOLVED: That it is the desire and wish of the Code Authority that the work of the Code Authority be centralized, and therefore the headquarters of the Industrial Relations Committee should be established in the offices of the Code Authority at Eleven Broadway, New York City.

This motion was seconded by Mr. W. H. Gerhauser and carried.

Wage Equalization

The Code Authority queried Mr. McDonagh as to what was meant by "wage standardization" as it was unaware of any reference to the Industrial Relations Committee of a study on "Wage Standardization".

It developed that the reference to "wage standardization" was the fifth finding in the report of the National Labor Board to the Executive Council in regard to wages and hours of employment in the Shipbuilding and Shiprepairing Industry which finding reads as follows:

"5. That a Board upon which employees and employers are equally represented be established to study wage problems which arise from the establishment of the thirty-six (36) hour week provided for in Sections 1 and 2 hereof, and that it shall be a function of this Board to equalize by negotiation any unfair competitive inequalities in the wage rates that may exist as a result of the past application in the Industry of the wage and hour provisions of the Code plus the present application of the hours and wage rates provided for in Sections 1, 2 and 4 hereof,

If or when there is set up in the Industry an Industrial Relations Board approved by the National Recovery Administration the foregoing duty and functions shall devolve upon that Board."

Budget for Industrial Relations Committee

The President then offered for discussion the budget prepared by the Industrial Relations Committee in the amount of $32,000. The tentative figures as reported are as follows:

Executive Secretary	$5,000.00
Stenographer & File Clerk	1,800.00
Office Rent (Washington, D. C.)	1,000.00
Telephone, postage, stationery etc.	1,200.00
Miscellaneous expense of investigations, etc.	2,000.00
Stenographic and office expense, and rent for seven regional committees.	21,000.00
TOTAL:	$32,000.00

The Code Authority in reviewing the budget, item by item, was of the opinion that the seven regional committees could for the time being be eliminated and, therefore, the $21,000 set up in the budget for this activity was eliminated from the discussion.

In view of the decision to eliminate the seven regional offices and the establishment of the office in New York instead of Washington the following resolution was offered by Mr. W. H. Gerhauser, seconded by Mr. Roger Williams, and adopted:

RESOLVED: That there be advanced from the assessments already made $3,000 to defray the expenses of the Industrial Relations Committee, it being understood, however, that a budget covering the expenses of this Committee would be set up for approval by the Code Authority; and

BE IT FURTHER RESOLVED: That the Industrial Relations Committee be and it is hereby authorized to expend such sums as may be necessary for the employment of an Executive Secretary and the defrayment of head office expenses and the traveling expenses of all members of the Committee including the alternate members.

By-Laws of the Industrial Relations Committee

The Chairman presented for discussion the By-Laws of the Industrial Relations Committee adopted by the Committee on March 28, 1934. These by-laws were laid over by the Code Authority awaiting a further report from the Industrial Relations Committee.

Strike Situation at plant of New York Shipbuilding Company

The Chairman read a letter dated April 24th from Mr. C. L. Bardo, President of the New York Shipbuilding Company, officially requesting the Code Authority to request the Industrial Relations Committee to take jurisdiction of the labor dispute now existent at his plant.

The advisability of referring this labor dispute to the recently created Industrial Relations Committee was discussed and the conclusion reached was that this Committee was entirely capable of handling it and, thereupon, Mr. S. W. Wakeman moved:

> "That the strike situation at the New York Shipbuilding Company's plant at Camden, N. J. be placed in the hands of the Industrial Relations Committee for immediate settlement."

Motion was seconded by Mr. Roger Williams and unanimously carried.

Mr. J. S. McDonagh raised the question as to why this matter should be referred to the Industrial Relations Committee inasmuch as the National Labor Board was authorized to handle it by reference from the Industrial Relations Committee. Furthermore, he stated the Committee was not properly set up to handle this question and he wished to be recorded, as the Labor Representative on the Code Authority, as being opposed to the adoption of the above resolution.

Mr. Wakeman asked Mr. McDonagh to define "not properly set up" and Mr. McDonagh replied:

> "There is only one reason in not being properly set up is because the office is not set up in Washington."

As the Code Authority did not consider this a valid reason, Mr. Roger Williams then offered the following resolution:

RESOLVED: That the Chairman be authorized to telegraph the National Labor Board as follows:

"New York Shipbuilding Company has requested Code Authority of Shipbuilding and Shiprepairing Industry to ask Industrial Relations Committee set up by the Industry to take jurisdiction of labor dispute now existent at the plant of the above company stop Code Authority passed resolution today that strike situation at New York Shipbuilding plant be placed in the hands of Industrial Relations Committee of the Shipbuilding and Shiprepairing Industry for settlement."

The motion was seconded by Mr. Robert Haig and carried.

Code Modification - Longer Working Hours

The Code Authority, cognizant of the hardship involved in the Industry due to the shorter week under the Shipbuilding and Shiprepairing Code than in the majority of the approved codes passed the following resolution offered by Mr. S. W. Wakeman, seconded by Mr. Roger Williams:

"RESOLVED THAT, WHEREAS: Employment in the private shipyards of the United States is limited to thirty-six hours a week on merchant shipbuilding and on naval construction; while employment in government navy yards on new naval construction is limited to forty hours a week;

WHEREAS: By reason of their shorter hours of employment private shipyards are placed in an unfavorable competitive condition with government navy yards, so that in many instances employees of private shipyards are leaving their employment and are seeking employment in government navy yards, with the result that such private shipyards find it difficult to secure and maintain adequate numbers of skilled mechanics and are confronted with unrest and dissatisfaction among their employees - a condition that is largely responsible for the present strike in the shipyard of the New York Shipbuilding Company:

WHEREAS: Because of the restriction of employment in shiprepairing yards to an average of thirty-six hours a week over a period of six months with a maximum of only forty hours in any one week and because of the intermittent character of the work performed by them the average hours of employment in such yards is less than thirty hours a week with the result that the same unrest and dissatisfaction prevails among their employees as in the private shipbuilding yards; and

WHEREAS: Records show that more than ninety percent of all codes under the NRA are on an employment basis of forty hours a week or over including substantially all of the codes regulating industries that are competitive with the character of work performed in private shipyards.

THEREFORE, NOW BE IT RESOLVED: It is the opinion of the Code Authority for the Shipbuilding and Shiprepairing Industry that the stabilization of the Industry, the elimination therefrom of unfair competitive practices and the maintenance of harmonious relations between management and employees, requires the establishment of forty hours a week of employment throughout the shipbuilding branch of the industry and an average of forty hours a week over a six months period with sufficient leeway to permit a maximum of forty-eight hours of employment in any one week for the shiprepairing branch. The Code Authority recommends immediate approval of the above changes in hours for the Shipbuilding and Shiprepairing Industry."

The above resolution was unanimously adopted.

Thereupon Mr. Roger Williams moved and Mr. W. H. Gerhauser seconded that:

"The foregoing resolution be transmitted by the Chairman of the Code Authority to the Deputy Administrator with a request for immediate action."

Resolution was unanimously carried.

Paragraph 3 (c) of Code - Further Extension

The Code Committee discussed the present status of plan work, ordering of material, etc., for the new navy program and it being found necessary to the progress of preliminary work upon which the rapid employment of men in the construction of these vessels depends that there should be a further extension of paragraph 3 (c) and thereupon Mr. Roger Williams offered the following Resolution:

"That it is necessary to the progress of preliminary work on new naval contracts, upon which the rapid employment of men in the construction of these vessels depends, that there should be a further extension from and after May 5, 1934 for a period of six months of paragraph 3 (c), regulation of hours of work in the code of fair competition and trade practice for the shipbuilding and shiprepairing industry."

The motion was seconded by Mr. S. W. Wakeman and unanimously carried.

Trade Practice Complaints Committee

The Chairman announced that pursuant to authority contained in a letter of April 4, 1934 from K. M. Simpson, The Trade Practice Complaints Committee was duly organized today but at the present time has no report to make to the Code Authority.

Mr. Marvin drew the attention of the Code Authority to a letter dated April 12, 1934 from K. M. Simpson relative to an Inter-Industry Practice Relationship Committee to be appointed to meet with similar Trade Practice Committees under such other codes as experience proves to be sufficiently related to require coordination for the purpose of formulating fair trade practices between such related codes.

Upon motion of Mr. S. W. Wakeman and seconded by Mr. Roger Williams the Trade Practice Complaints Committee of the Shipbuilding and Shiprepairing Industry was designated as the Committee to meet with such other Committees as outlined above.

Status of the Rules and Regulations Effective 10/2/33

The Chairman reported that the Code Authority is in receipt of a communication from a shiprepairing firm as to the status of the Rules and Regulations and requesting an interpretation as to "whether failure to comply with the requirements of the Rules and Regulations incapacitates yards in this area from bidding on any work covered by Bulletin No. 3, Executive Order No. 6646, issued from your office under date of March 19th, 1934, so long as they fail to live up to the Rules? If they bid on such work are they liable to fine and imprisonment?"

In view of the action of the Trade Practice Complaints Committee in referring to the Code Authority the question as to the legality of the Rules and Regulations and the by-laws previously adopted for the industry and which committee asked the Code Authority to secure a ruling from the Administrator as to their legality, the following resolution was offered by Mr. S. W. Wakeman and seconded by Mr. Robert Haig.

> "That action on this particular request for interpretation be deferred pending ruling as to the legality of the Rules and Regulations and By-Laws and be it further resolved that the inquirer should be so informed."

The motion was carried.

Ingalls Iron Works Company

The Chairman informed the Code Authority that he was in receipt of a letter from the Ingalls Iron Works dated April 3, 1934, requesting authority to work forty hours a week on four barges under construction in their yard at Decatur, Alabama for the account of the Tennessee Valley Authority.

Labor Complaints Committee

The Chairman reported that no response had been received from the NRA in connection with our letter of February 14th, wherein it was requested that a Labor Complaints Committee be appointed and in the same letter the Industry nominated its members. The Chairman informed the members of the Code Authority that this matter was pending in view of the formation of the Industrial Relations Committee.

Trial Trip Crews

The Chairman informed the Code Authority that he was in receipt of the following letter from the Industrial Relations Committee dated April 3, 1934:

"Referring to the request for exemptions to the Code to cover testing and trial trips, referred to this Committee for action, this Committee, after due consideration, has unanimously adopted the following regulation as an exemption to the Code:

'In testing installations, machinery and equipment for ships, dock trials, and sea trials to demonstrate satisfactory operation or contractual requirements, code hours may only be exceeded by employees on an hourly rate, where it is impracticable to do the work with safety or to the satisfaction of the customer's inspectors by the employment of additional men, provided that this exemption must not be used for the purpose of decreasing employment, or for reclassifying employees at a lower rate.

'If an employee on an hourly rate works in excess of eight (8) hours in any one (1) day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours.

'In every case where code hours are exceeded hereunder the employer shall report on a form to be stipulated by this committee, all the facts and circumstances of the case - and if the Committee shall find that conditions hereof have been violated it shall report the employer as a violator of the code.'...."

Wage Increase, San Francisco Bay Area

The Chairman reported the status of the request of certain yards in the San Francisco Bay Area for an exemption from the labor provisions of Section 4 (b) of the Code. At a previous Code Authority meeting this request had been denied. The matter was, however, referred by the NRA to the Industrial Relations Committee and under date of April 3rd the Industrial Relations Committee, informed the Code Authority as follows:

"At the meeting of this Committee on yesterday, the petition of certain shiprepair shops in the San Francisco Bay Area, represented by Mr. Harrison S. Robinson of Oakland, California, for exemption from the labor provisions embodied in Section 4 (b) of the Code, was considered.

"It was the unanimous decision of this Committee that the increases in wage rates under this section of the code are mandatory and that no exemption is therefore in order.

"Will you please keep this Committee informed of any steps that are taken by the Code Authority in connection herewith."

Emergency Work

Mr. Smith brought to the attention of the Code Authority the large number of notarized reports covering emergency work performed in a great number of plants. It appeared from the text of the reports that a large number of them, while of an emergency nature were more of an emergency to satisfy the requests of the consumer, rather than actual emergencies in the industry itself.

The members of the Code Authority were of the opinion that the matter should be restated to the Industry and thereupon Mr. Robert Haig, offered the following resolution?

RESOLVED: That the Code Authority hereby authorizes its Chairman to bring to the attention of the Industry any cases which appear to be excessive hours of work and that the Industry must in the future confine its emergency work to actual emergencies in the industry itself.

The motion was carried.

SEPTEMBER 12, 1934, MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 10:30 A.M. Briefs and Excerpts from Minutes. (Ref. Deputy's Files, Section 2).

There were present, representing the Industry, Messrs. H. Gerrish Smith, Chairman, W. H. Gerhauser, Roger Williams, Joseph Haag, Jr., and A. B. Homer, representing S. W. Wakeman; representing the Administration Messrs. Arba B. Marvin, J. S. McDonagh, Capt. Henry Williams, and C. C. Knerr, Secretary-Treasurer, Those absent were Messrs. S. W. Wakeman, Robert Haig and Robert L. Hague. Others present were Colonel W. W. Rose, Deputy Administrator, Mr. H. Newton Whittelsey, Assistant Deputy Administrator and Mr. L. C. Brown.

Financial Statement

The financial statements for the months of April, May, June, July and August, on motion of Mr. Homer, seconded by Mr. Williams, were approved and made a part of the official minutes.

Industrial Relations Committee

Inasmuch as Colonel Rose had but recently been assigned as Deputy Administrator to handle the Shipbuilding and Shiprepairing Code, the Chairman outlined briefly the entire history of the Industrial Relations Committee in connection with its set-up by Resolution of the Code Authority on March 15, 1934; the plan dated March 16, 1934 and submitted on the same date for its operation; the appointment of members to the Committee and subsequent events. The first plan submitted by the Industry on March 16th, for some reason, had never been transmitted by the Deputy Administrator to the Industrial Relations Committee, so that there was some delay on procedure until the plan which had been jointly prepared by the Industry and our Deputy Administrator received the comments of the Industrial Relations Committee. It was approved by the Committee on June 21st with some changes. All of the changes were not acceptable to the Industry but with a very few changes the plan was returned to N.R.A. by the Industry with letters from the Code Authority dated June 26th and 29th, together with a letter from a sub-committee of the Industry to the Code Authority dated June 27th. No further comments were received from N.R.A. until July 27th at which time Mr. H. Newton Whittelsey submitted another plan different from the plans of June 21st and 27th.

Subsequent events were as follows:-

On July 27th a hearing was granted labor by Senator Walsh, Chairman of the Senate Committee on Education and Labor. At this hearing Labor alleged labor abuses in the private shipbuilding industry. On August 2nd, Senator Walsh addressed a letter to the Secretary of the Navy calling attention to the statements made by Labor representatives at the hearing on July 27th. In this letter Senator Walsh suggests that summary actions be taken by the Navy Department to clarify the wage rates and working conditions under which the shipbuilding program is to be carried out before the letting of the next contracts.

In the morning of August 9th, a meeting was held in the offices

of the Assistant Secretary of the Navy, at which there were present:

Assistant Secretary and his staff of Bureau Officers
Representatives of those private shipbuilders engaged
in Naval construction

The Assistant Secretary of the Navy was informed that the industry knew of no abuses in the private shipbuilding industry and that there was no reason whatever for delaying the opening of bids or the placings of contracts for new naval construction.

The morning meeting was followed by a meeting in the afternoon at which there were present:

Assistant Secretary of the Navy and his staff
Two representatives from the Shipbuilding Industry
Representatives of N.R.A.
A representative from the Department of Labor

At this meeting a proposed Executive Order, prepared by the Department of Labor was presented to the effect that there should be a special board appointed to review shipbuilding wages and working conditions under PWA appropriations as applicable to naval vessels -- those now under construction and those for which contracts were to be placed. This meeting was adjourned without any final action but the same parties reconvened the following morning, August 10th, together with representatives of Labor. The proposed Executive Order was thoroughly discussed and the Industry Members present pointed out that the President of the United States by letter dated March 27th had directed all work on Government contracts for shipbuilding and shiprepairing to be performed under the provisions of the Shipbuilding and Shiprepairing Code. As a result of the discussion it was decided at this meeting that there should be a joint meeting on the following day, August 11th, of the:

Navy Department officials
Department of Labor; and
N. R. A.

Such a meeting was held and it was decided that instead of the special committee discussed the day previous, that the Industrial Relations Committee should proceed under its present set-up but under an Administrative Order which would provide for its financing by NRA with offices in Washington and with six (6) members instead of seven (7).

In connection with these meetings the following letter was addressed to the Assistant Secretary of the Navy by the President of the National Council of American Shipbuilders, under date of August 10, 1934:

"With reference to the conference of yesterday morning in your office as between the private shipbuilders engaged in naval work and yourself and the further conference in the afternoon with Mr. Battle of the Department of Labor, and the further conference this morning,

I wish to make the following statement on behalf of the private shipbuilders:

The subjects discussed at our conference were the following:

1 - A letter submitted by Senator Walsh presenting certain statements made by Labor before his Committee at a hearing on July 27, which statements alleged labor abuses in the Private Shipbuilding Industry.

2 - An Industrial Relations Committee in the Shipbuilding Industry set up in connection with its code of fair competition.

3 - A proposed Executive Order presented by Mr. Battle which would provide for setting up a Naval Shipbuilding Wage Board to deal with wages and hours under Title II of the National Industrial Recovery Act and of Title II of the Emergency Appropriation Act for the fiscal year 1935.

These three subjects have been enumerated in the order in which they arose for discussion, but it is necessary to first discuss briefly the proposed Executive Order prepared by the Department of Labor. This Order, if issued, would give financial control over the expenditures of funds for new naval vessels, bids for which are scheduled to be opened on August 15.

I call your attention to the fact that it is necessary in the conduct of work in a private shipyard to conduct this work on a uniform basis of hours and wages if work is to be performed in an orderly manner and expeditiously. The proposed Naval Shipbuilding Wage Board would have jurisdiction over hours and wages that might be wholly different from those prevailing under the Code and might result in a wage and hour condition that would preclude the possibility of securing any commercial work.

Furthermore, such jurisdiction would apply only during the expenditure of the particular funds appropriated for this Fiscal Year, while future funds for the completion of the contracts would probably be under Increase of the Navy Appropriations.

By order of the President of the United States all work in the private shipyards, with the exception of a few early contracts placed under PWA funds, is now being carried on under a Code of trade practice and fair competition applicable to all work in process.

"It is necessary in connection with new contracts for naval vessels that the same condition as to hours of labor, wages and working conditions should apply for all work underway in a shipyard, whether Government work or commercial work, and regardless of the appropriation under which such work is performed.

If this condition is made to apply, then the only other problem referred to in Senator Walsh's letter as needing consideration and which was very freely discussed with you is that of an Industrial Relations Committee. From the statements made by the Members of the Industry at the meeting yesterday, I believe you fully understand the difficulties confronting the Industry in setting up an Industrial Relations Committee of seven; three of whom are Industry Members, three of whom are Labor Members, and the seventh of whom is to be an impartial member, and for the reasons stated to you we do not believe that this bi-partisan committee will ever function satisfactorily and the Industry, has, therefore, suggested to you, and urgently requests, that this committee should be made up of not more than three disinterested members to be created by Presidential Order. With this in mind we ask you to request the President to extend the duties of the National Steel Labor Relations Board to cover disputes and complaints arising in the Shipbuilding Industry, the extent of the responsibilities of this Board for the Shipbuilding Industry to be the same as those prescribed by the President for the Steel Industry.

We believe that the two definite suggestions made herein will fully dispose of the problems involved in the discussions in your office this morning."

* * * * * * * * * * *

On August 15th General Johnson issued an Administrative Order which has not as yet been received by the Code Authority although an unsigned copy has been received which it is presumed is correct reading, as follows: (Note: The following is an excerpt of Administrative Order 2-21, dated August 15.)

"NOW, THEREFORE, I, Hugh S. Johnson, by virtue of authority vested in me, do hereby order that my previous orders of March 26, 1934, and April 4, 1934, whereby I appointed the Industry and Employee Members, respectively, of the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry, be amended by omitting the provision requiring the selection by the Industrial Relations Committee of a seventh (7th) member.

It is further ordered that the Industrial Relations Committee be and is hereby made independent of and not subject to the jurisdiction of the Shipbuilding and Shiprepairing Industry Committee hereinabove referred to.

It is further ordered that the National Recovery Administration shall set aside a reasonable portion of the funds allotted to it to cover the Committee's office expenses, traveling and subsistence expenses of each of its members when on official business in connection with the performance of his duties as a member of the said

Committee, and funds for the payment of such secretarial, clerical and technical assistance as the Committee may require in the performance of its duties. In addition to the above, each member of the Committee shall be entitled to a per diem of Fifteen Dollars ($15.00) for each day of actual attendance at any and all meetings of the Committee and when on official business for the said Committee, from the time of departure to the time of return; provided, however, that any financial committments made by the Committee shall be subject to the fiscal regulations of the National Recovery Administration; and provided further, that before any expenses incurred by the Committee or any of its members are paid by the National Recovery Administration vouchers therefor shall be duly authenticated by the Secretary of the Committee and shall be subject to review and disapproval by the National Recovery Administration."

* * * * * * * * * *

"Under date of July 27th an Administrative Order covering 'Labor Complaints And Disputes' was issued by the N.R.A. and in connection with this subject the Chairman asked to have inscribed in the minutes a copy of Administrative Order No. X-69."

At the request of Colonel Rose the Code Authority will submit to him a statement covering the views of the Code Authority as to the plan of procedure forwarded by NRA to the Industrial Relations Committee dated August 28th.

Payment of Expenditures Incurred by July Meeting of I.R.C.

The Secretary was in receipt of bills from the three Industry Members of the Industrial Relations Committee covering traveling expenses in connection with the work of the Committee and upon motion of W. H. Gerhauser, seconded by A. B. Homer, their payment was approved.

Amendment to Code to Provide for the Levy of Assessments

It was decided that the Code Authority would not present an amendment to the Code, at this time, to provide for the levying of assessments for carrying on the work of the Code Authority and its District and Local Area Chairmen, but for the time being would rely upon voluntary contributions.

Approval of Budget

A budget of expenses for the period July 1, 1934 to June 16,1935, was presented and Mr. Gerhauser offered the following resolution:

RESOLVED: That in connection with the Code Budget for the Shipbuilding and Shiprepairing Industry for the period July 1, 1934 to June 16, 1935, that the assessment be on the basis of total man-hours (both direct and indirect work) worked over a twenty-

six week period (October 1, 1933 to March 31,1934) and that the assessment to be levied shall be for a six months period, July 1, 1934 to December 31,1934. Rate per man-hour for a six months period not to exceed $.0014 with a minimum billing of $5.00 per plant for a six months period.

Mr. Gerhauser moved its adoption, seconded by Joseph Haag, Jr., and carried.

The budget on motion of Mr. J. H. Gerhauser, seconded by Mr. Joseph Haag, Jr., was approved and made a part of the minutes.

Approximately one-half is to be raised, payable immediately, and adjustment will be made in second half of fiscal year for any surplus fund received over and above anticipated receipts.

The Code Authority also approved the period of April 1, 1934 to September 30, 1934 as the period to secure man-hour data for the assessment to be levied on January 1, 1935.

Durable Goods Industries Committee

The Chairman reported that the Durable Goods Industries Committee had requested an additional contribution from Code Authorities to pay bills already incurred and that a sum of $300 is being asked from a considerable number of Code Authorities. It is the intention of the Durable Goods Industries Committee to refund all monies received over and above the sum needed. On motion of Mr. Gerhauser, seconded by Mr. Homer, the additional contribution of $300 was authorized.

Definition of Term "Emergency"

The Chairman wrote a letter dated June 13th to the N.R.A. requesting that the Code be amended to include this definition. (Copy of letter has been sent to the Code Committee; Shipbuilders Administrative Committee; Shiprepairers National Committee and all Local Area Chairmen.) In the meantime, a request was made by the Code Authority to have the papers in connection with this amendment held up by N.R.A. until further advised by the Industry. The Code Authority at its meeting today decided that its request for the Emergency Definition should be laid on the table.

Possible Conflict Between the Shipbuilding and Shiprepairing Code and the Supplementary Codes for the Construction Industry.

Under date of August 21st the Chairman addressed a letter to Major George L. Berry with reference to the possible conflicts between the provisions of the Construction Code and the Shipbuilding and Shiprepairing Code. Under date of August 24th, Major Berry informed the Code Authority that similar questions had been raised by others to such an extent that it was recognized that a hearing would have to be held to develop the necessary facts upon which to base a determinative ruling and that the Code Authority's name had been placed on the mailing list to receive a copy of notice of any hearing to be held.

Administrative Orders

The following Administrative Orders were read and placed in the record for the information of the Code Authority:

ADMINISTRATIVE ORDER NO. 3-9
(March 29, 1934)

Amendment To Code Of Fair Competition For The Shipbuilding And Shiprepairing Industry

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ADMINISTRATIVE ORDER NO. 3-14
(April 27, 1934)

Stay Of The Provisions of Part 3, Sections (a) and (b)

* * * * * * * * * * *

ADMINISTRATIVE ORDER NO. 3-15
(May 1, 1934)

Denial of application of General Engineering and Dry Dock Company, (and others)* * * * *

ADMINISTRATIVE ORDER NO. 3-16
(May 4, 1934)

Approval of application of Manitowoc Shipbuilding Corp. ,* * * * * * * *

ADMINISTRATIVE ORDER NO. 3-17
(May 4, 1934)

Extending Provisions of Section 3, Sub-Section (c) of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry

* * * * * * * * * * * *

ADMINISTRATIVE ORDER NO. 3-18
(June 20, 1934)

Further Stay of the Provisions of Part 3, Sections (a) and (b)

* * * * * * * * * * * *

ADMINISTRATIVE ORDER NO. 3-19
(June 25, 1934)

Granting application of St. Louis Car Company, St.Louis, Missouri, * * * * * * * *

ADMINISTRATIVE ORDER NO. 2-20
(July 5, 1934)

Granting application of the General Engineering and Dry Dock Company, (and others) * * * * * * * * *

Executive Orders

No. 6710 - Amendment of Executive Order No. 6354 of October 23, 1933, Prescribing Rules and Regulations Under the National Industrial Recovery Act (Application of Code Provisions in Town of 2,500 or less population).

(Incorporated in Bulletin No. 6 dated June 11th)

No. 6711 - Prescribing a Regulation Prohibiting Dismissal of Employees for Reporting Alleged Violations of Codes of Fair Competition.

(Incorporated in Bulletin No. 6 dated June 11th)

No. 6678 - Making Provision for a Clause in Codes of Fair Competition Relating to Collection of Expenses of Code Administration.

(Incorporated in Bulletin No. 6 dated June 11th)

No. 6750 -C - Prescribing Rules and Regulations for the Interpretation and Application of Certain Labor Provisions of Codes of Fair Competition as They May Affect Apprentice Training Programs in Industry. (This Executive Order was sent to each member of the Code Committee; Shiprepairers National Committee; Shipbuilders Administrative Committee; and all Local Area Chairmen, under date of July 17, 1934 and copy of same is made part of the official minutes.)

No. 6763 - Creation of the National Labor Relations Board. (This Executive Order was sent to each member of the Code Committee; Shipbuilders Administrative Committee; Shiprepairers National Committee; and all Local Area Chairmen, under date of July 20, 1934, and copy of same is made part of the official minutes.)

No. 6767 - Re: Permitting up to 15 percent Reduction in Filed Prices to any Agency or Instrumentality of the United States, or Any State, Municipal, or Other Public Authority. (Under date of August 16, 1934, a letter was addressed to the Industry which specifically showed that the 15 percent reduction does not apply to the filed rates with the Shipbuilding and Shiprepairing Code Authority. The letter is as follows:

"In connection with Executive Order No. 6767, dated June 29, this office made a specific request for information as the applicability of this order to shipbuilding and ship-repairing and we have received the following information from the legal department of the NRA:

> 'Executive Order No. 6767 applies only to bids made to Governmental agencies by Members of the Industry subject to Codes which provide for open filing.'

Administrative Order No. X-19: Code Blue Eagle Regulations

Secretary reported that all members of the Industry have been furnished a Blue Eagle and report made thereon to the Insignia Section under date of August 10, 1934.

Executive Order No. 6590-b: Posting Terms of Code
Administrative Order No. X-7: Posting Terms of Labor Provisions

Secretary reported that all members of the Industry have been furnished with the Official Copy of the Labor Provisions in quantities as requested by the firms engaged in Shipbuilding or Shiprepairing.

Administrative Order No. X-72: Exemption of Certain Employers in Towns of Less than 2,500 Population (See Executive Order No. 6710)

A copy of this Administrative Order was sent to the Code Committee; Shipbuilders Administrative Committee; Shiprepairers National Committee; and all Local Area Chairman, under date of August 15, 1934, together with a copy of a statement by the Administrator explaining Executive Order No. 6710. The statement by the Administrator specifically states that the Shipbuilding and Shiprepairing firms are not exempted by the Order. Copy of order attached as a part of the records.

Office Order No. 105) Creating Industrial Appeals Board, duties,
Office Memo. No. 273) purposes, etc. of Industrial Appeals Baord.

Copies of this order and memorandum were forwarded to the Code Committee; Shipbuilders Administrative Committee; Shiprepairers National Committee; and all Local Area Chairmen, under date of August 15, 1934, and copies are attached as a part of the records.

DECEMBER 20, 1934, MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 10:15 A. M. BRIEFS AND EXCERPTS FROM MINUTES. (REFERENCE: DEPUTY'S FILES, SECTION 2.)

There were present, representing the Industry, Messrs. H. Gerrish Smith, Chairman, W. H. Gerhauser, Joseph Haag, Jr., and Roger Williams; representing the Administration Messrs. F. E. Lee, Captain Henry Williams and J. S. McDonagh. Those absent were Messrs. Robert Haig, R. L. Hague and S. W. Wakeman. Others present were H. Netwon Whittelsey, Assistant Deputy Administrator and A. B. Homer.

The financial statements for the months of September, October and November on motion of W. H. Gerhauser, seconded by Roger Williams were approved and made a part of the official Minutes.

Administrative Orders

The following Administrative Orders were read and placed in record for the information of the Code Authority:

ORDER
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY
ORDER NO. 2-21

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ORDER
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY
2-22

****

Said Industrial Relations Committee be, and it is hereby officially authorized to proceed with the handling of labor complaints and labor disputes arising under the Code for such Industry, pursuant to the approved plan of procedure.

NATIONAL INDUSTRIAL RECOVERY BOARD

/s/ W. A. HARRIMAN
Administrative Officer

ORDER NO. 2-23
CODE OF FAIR COMPETITION
FOR
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Approval of Plan For Adjustment of Labor Complaints & Disputes

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ORDER NO. 2-24
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Granting Further Extension of Provisions of Section 3, Sub-Section (c).

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ORDER NO. 2-25
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

EXEMPTION
NATIONAL RECOVERY ADMINISTRATION

Granting Application of Marietta Manufacturing Company, Point Pleasant, West Virginia, for a Temporary Exemption from the Provisions of Part 3, Paragraph (a), of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, as amended.

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ORDER
NO. 2-26
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

APPOINTMENT OF ADMINISTRATION MEMBER
OF THE PLANNING AND FAIR PRACTICE
AGENCY

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WHEREAS, Arba B. Marvin, who pursuant to said provision of said Code, was on February 16th appointed Administrative Member for said Shipbuilding and Shiprepairing Industry Committee for said Industry has submitted his resignation for such Administrative Member, which resignation has been accepted;

NOW, THEREFORE, pursuant to the authority vested in the National Industrial Recovery Board by the Executive Order of September 27, 1934, and otherwise, it is hereby ordered that Francis E. Lee, Assistant Deputy Administrator for National Recovery Administration, be and he is hereby appointed and constituted as Administrative Member without vote to said Shipbuilding and Shiprepairing Industry Committee for said Industry to serve during the pleasure of the National Industrial Recovery Board.

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ORDER NO. 2-27
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

NATIONAL RECOVERY ADMINISTRATION

NAME OF CODE: Shipbuilding and Shiprepairing Industry, CODE NO. 2

APPLICANT: Shipbuilding and Shiprepairing Industry Committee, 11 Broadway, New York, N. Y.

QUESTION: In Sub-Section (c) of Section 3 of the Code, does the six months' period begin on the effective date of the Code or on the date the order is placed for each new ship?

INTERPRETATION: The six months' exception permitted under Sub-Section (c) of Section 3 of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry begins on the date the order is placed for each new ship.

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Draftsmen and Mold-Loftmen

The Assistant Deputy Administrator, by letter of December 6th, informed the Code Authority that in the event interpretation of Section 3 (c) as to working certain employees on new ship construction being favorable it would be necessary for the Code Authority to pass a resolution approving each case for each shipyard that will be permitted to work under the exception and in view of such interpretation (2-27) being favorable thereupon on motion of W. H. Gerhauser, seconded by Roger Williams the following resolution was unanimously adopted:

WHEREAS? certain Naval contracts were awarded in August 1934 to:

Bethlehem Shipbuilding Corp. Ltd. (Quincy, Mass.)
Electric Boat Company
United Shipbuilding & Dry Dock Corp.
Federal Shipbuilding & Dry Dock Co.
New York Shipbuilding Corporation.
Newport News Shipbuilding & Dry Dock Co.

WHEREAS, such contracts were allocated to the above shipyards as follows:

Number	Type of Vessel	Shipyard
CL-46	Light Cruiser	New York Shipbuilding Corp.
CL-47	" "	Newport News S/B & D/D Co.
DD-380	Destroyer	Bethlehem Shipbuilding Corp.
DD-382	"	" " "
DD-381	"	Federal S/B & D/D Co.
DD-383	"	" " " " "
DD-384	"	United S/B & D/D Co.
DD-385	"	" " " " "
SS-176	Submarine	Electric Boat Company
SS-177	"	" " "
SS-178	"	" " " , and

WHEREAS, Section 3 (c) of the Code for the Shipbuilding and Shiprepairing Industry provides for the following exceptions:

"For a period of six (6) months exception may be made in the number of hours of employment for the employees of the Shipbuilders engaged in designing, engineering and in moldloft and order departments and such others as are necessary for the preparation of plans and ordering of materials to start work on new ship construction, but in no event shall the number of hours worked be in excess of forty-eight (48) hours per week, and in no case or class of cases not approved by the Planning and Fair Practice Committee provided for in Section (8)", and

WHEREAS, The Code Authority is in receipt of Administrative Order No. 2-27 dated December 13, 1934, which reads as follows:

QUESTION: In Sub-Section (c) of Section 3 of the Code, does the six months period begin on the effective date of the Code or on the date the order is placed for each new ship?

INTERPRETATION: The six months' exception permitted under Sub-Section (c) of Section 3 of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry begins on the date the order is placed for each new ship".

NOW, THEREFORE, BE IT RESOLVED: That the above shipyards are granted the privilege of working all trades enumerated in Section 3 (c) of the Code for a period of six (6) months from the date of the contracts on the above named vessels.

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As to a further extension for draftsmen and loftsmen as regards to contracts older than six months, this matter is still in the hands of NRA and it is anticipated that action will be taken at an early date.

Trial Trips

Administrative Order 2-18 granting exception of Part 3, Sections a and b covering employees in testing installations, machinery and equipment for ships etc., expires on December 27, 1934, and inasmuch as a continuation of this exception is necessary, upon motion of Mr. W. H. Gerhauser, seconded by Roger Williams, the following resolution was adopted:

> WHEREAS, the exception granted by Administrative Order No. 2-18, staying the provisions of Part 3, Sections (a) and (b) of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, covering employees in testing installations, machinery, and equipment for ships, dock trials and sea trials to demonstrate satisfactory operation or contractual requirements where it is impracticable to do the work with safety or to the satisfaction of the customer's inspectors by the employment of additional men, expires on December 27, 1934; and,
>
> WHEREAS, the same conditions apply at this time as when Administrative Orders No. 2-14 and 2-18 were issued;
>
> BE IT RESOLVED, by the Code Authority that the Administrator further stay the provisions of Part 3, Sections (a) and (b) until June 16, 1935.

Galveston Area
(Resignation of Chairman and Secretary)
(Election of New Officers)

The Chairman reported that the Secretary of the Code Authority is in receipt of a letter dated December 26th from Mr. R. C. Johnson, former chairman of the Galveston area in regard to change of officers in the Galveston area.

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Administrative Order X-119
(Prescribed Rules and Regulations for the Protection of Funds Received by the Code Authority)

The Chairman reported that all conditions required by this order can be met by the Code Authority and that in the meantime a bond in the amount of $10,000 had been taken out to cover the Treasurer, the bond being placed with the United States Guarantee Company, a copy of which will be mailed to the Assistant Deputy Administrator.

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Validity of Rules and Regulations

The Chairman read into the record a letter dated November 16th from Mr. H. N. Whittelsey covering exchange of telegrams between the Galveston area and NRA in connection with the validity of the Rules and Regulations. The Chairman at this point referred also to a letter dated May 18, 1934 from Mr. Whittelsey wherein the validity of the Rules and Regulations was commented upon by Assistant Counsel of NRA and the Code Authority at this time endeavored to learn from Mr. Whittelsey the legality of the Rules and Regulations adopted October 2, 1933 as on the date of their adoption the Chairman specifically asked Mr. W. H. Davis, Deputy Administrator at that time, as to the propriety of having the Rules and Regulations approved by the President of the United States so as to become "the law of the land" to which Mr. Davis stated that he had taken the matter up with Colonel Lea and it was thought the Code Authority had sufficient power under the code to enforce the Rules and Regulations as written and that the approval of our Rules and Regulations would establish a precedent.

This matter of the contents of the Rules and Regulations will be studied by the Committee acting on code revision and nothing will be done at the present to have them approved by the Administration as originally written.

By-Laws - (Code Authority
(Trade Practice Complaints Committee

The Chairman reported that Mr. H. Newton Whittelsey had forwarded to the Chairman of the Code Authority proposed by-laws covering the operation of the Code Authority and also for the operation of the Trade Practice Complaints Committee and upon motion by Mr. A. B. Homer, seconded by Mr. Roger Williams, both subjects were to be referred to the Committee on Code Revision for study and report thereon.

Revision of Shipbuilding and Shiprepairing Code

The Chairman reported that the Committee appointed to consider code revision is still working on revision of the code but that the matter would be taken up with a view to having it in such shape that it can be printed at an early date and sent out to the industry for suggestions before submission to NRA for hearing. The Chairman informed Mr. Whittelsey that the Shipbuilding and Shiprepairing Industry has not accepted the revised definition for shipbuilding and shiprepairing.

Standards of Health and Safety

The Chairman directed the attention of the Code Authority to a letter from Mr. H. Newton Whittelsey dated December 12th in connection with the adoption of clauses in the Code to cover Standards of Safety and Health. Before adopting such provisions, the Chairman asked the Assistant Deputy Administrator to forward to him such standards as already have been adopted by other code autorities and incorporated in their codes so that the matter could be considered by the Code Authority and the Code Revision Committee.

Emergency Work

The Chairman reported that the Code Authority is in receipt of a great number of reports covering emergency work under the shipbuilding and shiprepairing code. The Code Authority under date of June 13th had submitted an amendment to the Code but it was withdrawn as it could not, at that time, be acted upon without a public hearing. Nothing has been done in connection with the pressing of this amendment since that date. The Chairman did, however, agree to send Mr. Whittelsey a memorandum on emergency work and this will be done within a day or two.

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JANUARY 17, 1935, MEETING HELD AT 11 BROADWAY, NEW YORK CITY, At 10:15 A. M. Briefs and excerpts from Minutes. (Ref. Deputy's Files in Sec. 2).

There were present, representing the Industry, Messrs. H. Gerrish Smith, Chairman, S. W. Wakeman, Robert Haig, Roger Williams, W.H.Gerhauser; representing the Administration, Messrs. Francis E. Lee, Captain Henry Williams, J. S. McDonagh, C. C. Knerr, Secretary-Treasurer. Others present were Colonel W. W. Rose, Deputy Administrator, Mr. H. Newton Whittelsey, Assistant Deputy Administrator, Mr. L. Y. Spear. Those absent were Mr. Joseph Haag, Jr. and Mr. R. L. Hague.

Financial Statements

The financial statements for the month of December, 1934, on motion of Mr. W. H. Gerhauser, seconded by Mr. Roger Williams were approved and made a part of the official minutes.

Administrative Orders

The following Administrative Orders were read and placed in the record for the information of the Code Authority:

Order
No.2- 28

CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Denying Blanket Extension of Section 3, Subsection (c) of the Code and Granting Extension thereof with limitations and conditions to the Newport News Shipbuilding and Dry Dock Company, the Bethlehem Shipbuilding Corporation and the New York Shipbuilding Corporation.

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ORDER
No. 2-29

CODE OF FAIR COMPETITION
SHIPBUILDING AND SHIPREPAIRING INDUSTRY
AS AMENDED

Granting Further Exemption from Provisions of Part 3, Sections (a) and (b), of Employees Engaged in Testing Installations, Machinery and Equipment for Ships, Dock Trials and Sea Trials.

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Industrial Relations Committee

The Chairman reported that between meetings a letter ballot had been taken of the Industry Members of the Code Authority relative to the nomination of Mr. Joseph W. Hart, as an Industry Member to represent employers on the Committee, to succeed Mr. James Swan, resigned, and the Chairman therefore asked for ratification of the following resolution which had been previously sent to N.R.A. under date of December 28,1934. The resolution reads as follows:

"WHEREAS on March 15, 1934, the Shipbuilding and Shiprepairing Industry Committee passed the following resolution:

'There shall be constituted by appointment of the Administrator for the Shipbuilding and Shiprepairing Industry an Industrial Relations Committee to be composed of seven (7) members: three (3) to be nominated by the Code Authority to represent the employers, Three (3) to be nominated by the Labor Advisory Board of the National Recovery Administration to properly represent the employees in the Industry, and one (1) to be selected by the other six';

"AND WHEREAS, James Swan, who pursuant to the provisions of said resolution, was on April 6, 1934, appointed a member to represent employers on the Industrial Relations Committee of said Industry, has submitted his resignation as of January 14, 1935,

"NOW, THEREFORE, BE IT RESOLVED: That Mr. Joseph W. Hart is hereby nominated by the Code Authority as an Industry Member to represent employers on the Industrial Relations Committee as of January 14, 1935 to take the place of Mr. James Swan, resigned"

Overtime Beyond Weekly Hours

The Chairman reported that since receipt of Administrative Orders 2-28 and 2-29 wherein was embodied the following proviso:

"Provided however, that if an employee on an hourly rate works in excess of eight (8) hours in any one day or in excess of thirty-six (36) hours in any one week he shall be paid at the rate of at least one and one-half (1½) times his regular hourly rate for overtime so worked; however, in the computation of pay when such an employee works during any one week overtime in excess of both eight (8) hours per day and thirty-six (36) hours per week, the overtime pay shall not be compounded by addition of both daily and weekly overtime, but the employee shall be paid either the sum of the overtime pay earned during the overtime days or the overtime pay earned during the overtime week, whichever is the higher for said week."

he had received advice from members of the Industry protesting overtime payment beyond weekly hours and that the proviso was in direct conflict with Section 3 (b) of the Code whereby employees on ship repairing are

permitted to work 40 hours a week with an average of 36 hours over a six months' period.

The Chairman referred to interpretation given by Mr. W. H. Davis, our Deputy Administrator at the time and incorporated in the minutes of the Code Authority of January 4, 1934 which reads

> "That overtime is not to be paid for the four hours in excess of the 36 hours in any one week but is only to be paid for hours in excess of eight hours in any one day."

and this interpretation was released to the Industry as Interpretation No.11, dated January 4, 1934.

Messrs. Gerhauser, Wakeman, Haig and Williams further augmented the statement by citing specific instances to show the impracticability of the order as it related to the shipbuilding and shiprepairing industry.

The Industry Members of the Code Authority protested the above ruling by N.R.A.

Both Colonel Rose, Deputy Administrator, and H. Newton Whittelsey, Assistant Deputy Administrator said that the matter could be referred back to N.R.A. for reconsideration and therefore the following resolution was offered by Mr. Roger Williams, seconded by Mr. Robert Haig, and carried:

> "Whereas in Administrative Orders
>
> Nos. 2-6
> 2-16
> 2-19
> 2-25
> 2-28
> 2-29
>
> "N.R.A. have directed that overtime be paid beyond weekly hours as well as beyond daily hours the Code Authority protests this ruling as not being within the requirements of the Shipbuilding and Shiprepairing Code, and further has never been a practice of the Industry and therefore is unacceptable to it; and
>
> "THEREFORE, BE IT RESOLVED, That the Code Authority directs its Chairman to address a letter to N.R.A. asking that this requirement be stricken from the aforesaid Administrative Orders."

Revision of Code
Adoption of By-Laws-Code Authority
Adoption of By-Laws - Trade Practice Complaints Committee
Validity of Rules and Regulations

The Chairman of the Code Authority reported that both Colonel Rose, Deputy Administrator, and Mr. H. Merton Whittelsey, Assistant Deputy Administrator had urged, a revision of the Shipbuilding and Shiprepairing Code and that the matter had been discussed by the Chairman at some length with both the Deputy and Assistant Deputy Administrators. It was requested that Colonel Rose might state to the Code Authority his reasons for feeling that the Code should be revised at the present time.

Colonel Rose stated that since the adoption of the Shipbuilding and Shiprepairing Code, which was Code No. 2, that many provisions had been adopted by N.R.A. which it was felt should be in all codes and that furthermore the present Code was lacking in certain provisions to take care of cases that had arisen and that it is his belief Code Revision would be of benefit to the Industry. He stated he did not want the Industry to think he was attempting to coerce it in any manner by pressing for Code Revision and thereupon gave the following examples of what the Code does not now provide for and which in his opinion should be incorporated in a revised Code.

1. The definitions are inadequate. It has been suggested that there be a Naval Shipbuilding Code, a Commercial Shipbuilding Code, and a Shiprepairing Code. Also that the Code ought to be modified with respect to the boat building Code where there is conflict.

2. Question of hours of work in connection with draftsmen and mold loftsmen, where pay is in excess of $35.00 a week.

3. Question of hours for clerical staff.

4. Provisions for emergency work.

5. Provision of testing installations and trial trips, etc.

6. Hours of watchmen and firemen.

7. Clause to prevent employees from exceeding maximum hours by working for two employers.

8. Lack of Regional and Divisional Code Authorities.

9. Present Code Authority represents Naval builders only.

10. Absence of Fair Trade Practices.

In the discussion of these matters it was pointed out that the present Code Authority does not represent Naval shipbuilders only as only two of the members of the Code Authority are builders of naval vessels and that through the Committee set up under the Rules and Regulations which were developed in connection with the Code that all geographical districts on the coasts of the United States and on the Great Lakes are represented.

This led to a discussion of the Rules and Regulations adopted October 2nd, 1933.

Mr. Whittelsey stated that these Committees are not recognized by N.R.A. The Code Authority argued that they should be recognized by N.R.A. because the Rules and Regulations had been developed in cooperation with Mr. William H. Davis, our Deputy Administrator at the time and that they had been approved by him.

Colonel Rose stated that he was unaware of this fact and he felt that the matter should be referred to him by letter in order that he might definitely ascertain as to whether the Rules and Regulations have a legal standing or not. It was pointed out to Colonel Rose that the Rules and Regulations had certain fair trade practices incorporated in them and that although the matter had been previously submitted to N.R.A. for a ruling as to legality that it was felt the matter had never been definitely disposed of.

The Chairman was directed to submit this matter to the Deputy Administrator for action.

Section 3 (c) Of The Code - Draftsmen and Mold Loftsmen

Paragraph 3 (c) of the Code with reference to the employment of draftsmen and loftsmen contain the following phrase at the end of the paragraph:

> "and in no case or class of cases not approved by the Planning and Fair Practice Committee provided for in Section (8)."

In view of the wording it was deemed advisable that the Code Authority should approve of longer hours for both draftsmen and mold loftsmen that had been working under this provision of the Code and thereupon passed the following resolution offered by Mr. S. W. Wakeman, seconded by Mr. Roger Williams:

> "WHEREAS, the Assistant Deputy Administrator, by letter of December 6, 1934, informed the Code Authority that in the interpretation of Section 3(c) as to working certain employees on new ship construction it would be necessary for the Code Authority to pass a resolution approving each case for each shipyard that would be permitted to work under the exception, and
>
> "WHEREAS, an examination of the previous minutes of the Code Authority fails to disclose such request by any prior Administrator or Deputy Administrator on prior exceptions, and
>
> "WHEREAS, certain Naval contracts were awarded in August 1933, to:
>
> New York Shipbuilding Corporation
> Bethlehem Shipbuilding Corp., Ltd.
> United Dry Docks, Inc.

Bath Iron Works Corporation
Federal Shipbuilding & Dry Dock Co.
Electric Boat Company
Newport News Shipbuilding & Dry Dock Co.

and Commercial Contracts in June 1933 to Newport News Shipbuilding and Dry Dock Company, and in January 1934 to New York Shipbuilding Corporation, and on November 15, 1933 to United Dry Docks, Inc.,

"WHEREAS, such contracts were allocated to the above shipyards as follows:

Number	Type of Vessel	Shipyard
DD 356-59	Destroyers	New York Shipbuilding Corporation
DD 360-3	Destroyers	Bethlehem Shipbuilding Corp.,Ltd.
DD-364-5	Destroyers	United Dry Dock, Inc.
DD-366-7	Destroyers	Bath Iron Works Corporation
DD-368-9	Destroyers	Federal Shipbuilding & D/D Co.
SS 174-5	Submarines	Electric Boat Company
CV 5-6	Aircraft Carriers	Newport News S/B & D/D
CA 44	Heavy Cruiser	Bethlehem Shipbuilding Corp.
CL 42-43	Light Cruisers	New York Shipbuilding Corp.
	2 Cargo Vessels for A.H.Bull	Newport News S/B & D/D Co.
	2 Oil tankers for Standard Vacuum Transportation Co.	New York Shipbuilding Corp.
	3 Motor Tankers for Socony-Vacuum Oil Co.	United Dry Docks, Inc.

"WHEREAS, Section 3 (c) of the Code for the Shipbuilding and Shiprepairing Industry provides for the following exception:

> 'For a period of six (6) months exception may be made in the number of hours of employment for the employees of the shipbuilders engaged in designing engineering and in mold loft and order departments and such others as are necessary for the preparation of plans and ordering of materials to start work on new ship construction, but in no event shall the number of hours worked be in excess of forty-eight (48) hours per week, and in no case or class of cases not approved by the Planning and Fair Practice Committee provided for in Section (8).'

"WHEREAS, the above shipyards were granted privilege by the Administrator of working certain trades enumerated in Section 3 (c) of the Code

. . . .

	No. of Order
By Administrative Order	2-3 Feb.5, 1934 to May 5, 1934
	2-17 May 5, 1934 to Nov.5, 1934
	2-24 Nov. 5,1934 to Dec. 5, 1934

and

"WHEREAS, the Industry was notified by telegrams, bulletins and circular letters as follows:

1st Extension - Circular letter of 2/2/34 and Bulletin No. 2 of 2/19/34
2nd Extension - Telegram of May 8, 1934 and Circular Letter of May 8, 1934
3rd Extension - Telegram to seven yards of Nov. 8,1934 and Circular Letter of Nov.27, 1934

"BE IT RESOLVED, That the Planning and Fair Practice Committee provided for in Section (8) of the Shipbuilding and Shiprepairing Code, approves such exemption in each of the above-named cases."

Section 3 (c) Of the Code - Draftsmen and Loftsmen

By Administrative Order 2-28 the plants of the Bethlehem Shipbuilding Corporation, Ltd., (Quincy, Mass.), New York Shipbuilding Corporation and the Newport News Shipbuilding and Dry Dock Company were granted permission to work longer hours on certain contracts. Mr. Whittelsey asked the ratification of the Order by the Code Authority so that these plants could be privileged to work certain classes of labor longer hours.

The Code Authority approved the working of longer hours at these plants but restricted its approval of the order (2-28) by the following resolution offered by Mr. Roger Williams, seconded by Mr. W. H. Gerhauser and carried:

"RESOLVED, That the Code Authority approves Order 2-28 granting longer hours of work of draftsmen and mold loftsmen at the plants of the New York Shipbuilding Corp., Newport News Shipbuilding and Dry Dock Co. and the Quincy Plant of the Bethlehem Shipbuilding Corporation, Ltd., except as to the provision for the payment of overtime beyond thirty-six (36) hours."

Emergency Work

The Chairman reported that under date of January 9, 1935, Mr. H. Newton Whittelsey had written a letter to the Code Authority stating:

"It is understood that necessary emergency repairs to vessels have been made over a long period of years in emergency

situations whereby a danger or menace to the safety of a vessel, life or property existed; or where a delay would have worked an undue hardship on an owner.

"However, when the maximum hour provisions of the Code are exceeded in working under such emergencies, special exemption from the maximum hour provisions of the Code must be obtained either by an amendment to the Code or by an exemption of a temporary nature.

"The Code has not been amended to permit work beyond the maximum hours of the Code in emergencies, nor has any exemption been requested or granted. The amendment requested on June 13, 1934, was withdrawn.

"Therefore, there exists no authorization for any shipbuilding or shiprepairing yard to work in excess of the maximum hour provisions of the Code on emergencies and any yard so working would lay itself open to a charge of violation of the Code, even if it does file a report with the Shipbuilding and Shiprepairing Industry Committee."

The Chairman reported that all yards have been submitting weekly reports covering emergency work in accordance with action taken by the Code Authority with the knowledge and advice of its Deputy Administrator under date of November 16, 1933 and that the various units of the industry have been submitting their reports in accordance with the action taken at that meeting which reports show the reason for working overtime and are duly notarized over the signature of an official of the Company.

The Industry under date of June 13, 1934 presented a proposed amendment to the Code to cover a definition of "emergency work" but in view of other matters that were understood might be taken up at the same time the Industry requested that the proposed amendment be held up.

The Code Authority again discussed the question of amending the present Code to cover emergency work and the following resolution was offered by Mr. Roger Williams, seconded by Mr. Robert Haig, and carried:

"RESOLVED, That the Code Authority authorize its Chairman to clarify with N.R.A. the situation with respect to emergency work and to request approval of such definition of emergency work for the shipbuilding and shiprepairing industry as necessary to clarify this matter; and

"RESOLVED, That the following is adopted as a definition of emergency work:

'The term "emergency" means that a situation whereby a danger, or menace to the safety of a vessel, life or property exists; or where a delay would work an undue hardship on an owner or contractor.'

"And that to each of the Paragraphs 3 (a) and 3 (b) of the Code there be added the following words:

'The above limitation of hours in any one week shall not apply to emergency work'

"AND BE IT FURTHER RESOLVED, That pending the adoption of the amendment by N.R.A. that a temporary exemption be granted for emergency work by N.R.A. to the Shipbuilding and Shiprepairing Industry."

Labor Advisory Board

The Chairman reported that the Code Authority was in receipt of a communication from Mr. Solomon Barkin, Assistant Executive Director of the Labor Advisory Board dated January 10, 1935, requesting certain information as to the advantages which have accrued to the Code Authority from the presence of a labor representative on the Code Authority.

On motion duly seconded and carried the letter was ordered to be laid on the table.

Audit Of Accounts

The Chairman reported that under Administrative Order X-119 Prescribing Rules and Regulations for the protection of funds received by Code Authorities it would be necessary that the accounts of the Code Authority be audited. On motion of Mr. S. W. Wakeman, seconded by Mr. W. H. Gerhauser and duly carried, permission was granted to employ a Certified Public Accountant to audit the books of the Code Authority.

Bond

The Chairman reported that a bond had been taken out by the Treasurer and photostatic copy had been sent to N.R.A. but that N.R.A. had written the following letter dated January 8, 1934 in connection therewith:

"The photostatic copy of your bond in the amount of $10,000, written by the United States Guarantee Company, has been duly submitted with my recommendations and has been accepted as sufficient in amount.

"However, the Code Authority Account Section points out that if any other officers of your Code Authority are empowered to draw upon the funds of the Code Authority, those officers or employees should be bonded.

"/s/ H. Newton Whittelsey
"Assistant Deputy Administrator
"Division 2, Section D, Group 3"

As checks, in order to be negotiable, must be signed by the Chairman in addition to the signature of the Treasurer, question arose as

to necessity of a bond to cover the co-signer. Colonel Rose stated that in view of the fact that checks require both the signature of the Treasurer and the Chairman, and since the Treasurer is bonded, in his opinion N.R.A. would not require an additional bond, but that he would take the matter in hand with a view to having a prompt decision rendered by N. R. A.

Shipbuilding and Shiprepairing Industry

FEBRUARY 21, 1935. MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 10:15 A.M. Briefs and exerpts from Minutes (Reference: Deputy's Files, Section 2).

There were present, representing the Industry, Messrs. H. Gerrish Smith, Chairman, S. W. Wakeman, Joseph Haag, Jr., Roger Williams, W. H. Gerhauser; representing the Administration, Messrs. H. Newton Whittelsey, Assistant Deputy Administrator, Francis Lee, Administration Representative, J. S. McDonagh, Captain Henry Williams, C. C. Knorr, Secretary-Treasurer, Messrs. Robert Haig and R. L. Hague were absent.

Financial Statements

The financial statements for the month of January 1935, on motion of Mr. S. W. Wakeman, seconded by Mr. W. H. Gerhauser were approved and made a part of the official minutes.

Administrative Orders

The following Administrative Orders were read and placed in the record for the information of the Code Authority:

ORDER NO. 2-30
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Acceptance of the Resignation of James Swan and the Appointment of Joseph W. Hart as a Member of the Industrial Relations Committee.

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ORDER NO. 2-31
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Granting application for partial stay of the maximum hours provisions of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, contained in Part 3, Paragraphs (a) and (b), to permit emergency work.

Executive Order No. 6949 (Non-Waiver of Constitutional Rights in Connection With Codes of Fair Competition)

.....

Rules and Regulations

The Chairman reported that the subject of the Rules and Regulations, discussed at the previous meeting of the Code Authority, had

again been submitted to NRA for a ruling as to whether they are valid or not but that up to date no final action had been taken although it is understood that the matter is under consideration by NRA.

Overtime in Excess of 36 Hours

As discussed at the previous meeting of the Code Authority, a statement was submitted to NRA under date of January 28th, protesting against the imposition of overtime on weekly hours in view of the fact that overtime is specifically covered in the code as applying to daily hours only and that the requirement for overtime beyond weekly hours as well is outside the provisions of the code. This matter is being followed up with a view to elimination of overtime beyond weekly hours.

Emergency Work

There was presented to the Code Authority an order 2-31, appearing on pages 4 and 5 of the minutes, received this day, granting a sixty (60) day stay on emergency work but stipulating the payment of overtime beyond weekly hours as well as daily hours and also requiring that reports of emergency work be submitted to the Industrial Relations Committee within five (5) days after the end of the week in which such emergency work is performed. This matter was discussed at length at the meeting and both of these provisions were protested and the Chairman of the Code Authority was directed to proceed in accordance with the following resolution offered by W. H. Gerhauser, seconded by Roger Williams, and carried:

> "THE CODE AUTHORITY RESOLVES: That the Chairman of the Code Authority be directed to protest to NRA. the Administrative Order No. 2-31 in its present form as being opposed to the payment of overtime beyond the maximum hours of the Code, and as opposed to the provision of the Order requiring weekly reports of overtime performed to be reported to the Industrial Relations Committee unless such reports are the result of a complaint filed in regard thereto: and,
>
> "FURTHER: That the Chairman be directed to communicate with NRA and request an opportunity for the Code Authority to appear before the National Industrial Recovery Board and present its point of view regarding these matters."

Captain Henry Williams representing the Navy Department on the Code Authority stated that a ruling had been made by the Comptroller General to the effect that overtime on work performed in government establishments was on a basis of weekly hours only and does not apply to daily hours, that is, to the effect that the overtime applies on

only one basis of hours and not on two which is the condition now prevailing in the shipbuilding industry but which would be changed by the requirement of Order 2-31.

It was also stated by members of the industry at the meeting that the overtime provision would increase the cost of repairs and add to the tendency to the repair of vessels in foreign ports to the disadvantage of American industry and American labor.

Report of Chairman on Hearings - N. R. A. on Employment

The Chairman reported briefly on the hearings held by NRA from January 30th to February 2nd, on the subject of employment and informed the members that a brief statement on this had already been sent to them.

Auditor's Report

The Chairman presented for record in the minutes of the meeting, the Certified Public Accountant's report of code expenditures from the inception of the Code to December 31, 1934. Instructions were directed to forward three copies to NRA in accordance with their request.

Resolution Re Working of Draftsmen on New Construction. (Para. 3 (c) of the code).

The following resolution with reference to working of draftsmen on new ship construction was offered by W. H. Gerhauser, seconded by S. W. Wakeman, and carried:

"WHEREAS, certain Naval contracts were awarded in August 1934 to:

Bethlehem Shipbuilding Corp., Ltd.,
(Quincy, Mass.)
Electric Boat Company
New York Shipbuilding Corp.

WHEREAS, such contracts were awarded to the above shipyards as follows:

No.	Type of Vessel	YARD
CL-46	Light Cruiser	New York Shipbuilding Corp.
DD-380	Destroyer	Bethlehem Shipbuilding Corp. Ltd.
DD-382	"	"
SS-176	Submarine	Electric Boat Company
SS-177	"	"
SS-178	"	"

WHEREAS, Section 3 (c) of the Code for the Shipbuilding and Shiprepairing Industry provides for the following exemption:

"For a period of six (6) months exception may be made in the number of hours of employment for the

> employees of the Shipbuilders engaged in designing, engineering and in mold-loft and order departments and such others as are necessary for the preparation of plans and ordering of materials to start work on new ship construction, but in no event shall the number of hours worked be in excess of forty-eight (48) hours per week, and in no case or class of cases not approved by the Planning and Fair Practice Committee provided for in Section (8)".

THEREFORE BE IT RESOLVED that it is necessary to the progress of preliminary work on the aforesaid naval contracts, upon which the rapid employment of men in the construction of these vessels depends, that there should be a further extension from and after February 1935, for a period of four (4) months, of Paragraph 3 (c), Regulation of Hours of Work in the Code of Fair Competition and Trade Practice for the Shipbuilding and Shiprepairing Industry;

AND BE IT FURTHER RESOLVED that if the Navy Department by virtue of changes on CL-46 determine that such changes as are made to CL-46 are applicable to CL-42 and CL-43 that the same exemption may be granted in the preparation of plans and mold-loft work on these two hulls, CL-42 and CL-43."

Resolution will be forwarded to NRA for action.

Definition of the Word "Emergency"

The wording of the term "emergency" as contained in the temporary stay granted by NRA (Order No. 2-31) was considered and on motion of S. W. Wakeman, seconded by W. H. Gerhauser, was adopted. This definition is in lieu of that adopted at the meeting on January 17th, and reads as follows:

> "The term 'emergency' means that situation involving danger or menace to the safety of a vessel, to life, or to property, or when a delay would work an undue hardship on the owner or the shippers or the passengers through loss of use of a vessel for prompt loading or discharge or prompt and safe carriage of cargo or passengers to destination."

Additional Regulation - PWA Work

The Chairman called the attention of the members to a joint resolution of the Treasury Department and the Department of the Interior with relation to the expenditure of Public Works Funds wherein each contractor and subcontractor engaged in the construction, prosecution or completion of any building or work of the United States or of any building or work financed in whole or in part by loans or grants from the United States or in the repair thereof is required each week to furnish an affidavit with respect to the wages paid to each employee during the preceeding week. He informed the meeting that a protest had been filed under date of February 16, 1935, with Mr. Ickes, on this subject.

MARCH 21, 1935. MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 3:00 P. M. Briefs and exerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present, representing the Industry, Messrs. H. Gerrish Smith, Chairman, Joseph Haag, Jr., Roger Williams, W. H. Gerhauser, S. W. Wakeman, and Robert Haig, representing the Administration, H. Newton Whittelsey, Assistant Deputy Administrator, Francis Lee, Administration Representative, J. S. McDonagh, and Captain Henry Williams, and C. C. Knerr, Secretary-Treasurer. Mr. R. L. Hague was absent.

Financial Statements

The financial statements for the month of February on motion of S. W. Wakeman, seconded by W. H. Gerhauser were approved and made a part of the minutes.

Protest on Time and a Half Provision Beyond Weekly Hours

The Chairman called attention to the Code Authority's letter of February 21st on this matter and to the fact that no action had yet been taken upon it. He informed the Code Authority that Mr. Joseph Haag, Jr., W. H. Gerhauser and himself had appeared before representatives of the N.I.R.A. on March 6th and had presented both a written and an oral protest against the imposition of overtime on a dual basis, as overtime is already provided for in the Code beyond daily hours. (Copy of written protest is made a part of the minutes.)

Mr. Whittelsey informed the Committee that he anticipated action upon this matter in the near future as the papers are in such shape as to be forwarded to the National Industrial Recovery Board within a few days.

The Industry-Members of the Committee complained of the great length of time taken on matters submitted to NRA and asked for information as to the routine through which an item such as the above had to pass before final approval, and it was reported to be as follows:

The above case was forwarded to the Industrial Relations Committee, Research and Planning Division, Industrial Advisory Board, Consumers Advisory Board, the Labor Advisory Board and the Legal Division.

Each one of the above groups submit its recommendations. Upon return to the Assistant Deputy Administrator a memorandum is prepared by him forwarded to the Deputy Administrator, examined by his Aide and if the Deputy Administrator concurs he signs it. It then goes to the Code Assistant of the Division Administrator, examined by him and if satisfactory to the Division Administrator he signs it.

It goes from him to the Review Division, which is an independent body and has the right to reverse the decision. All shipbuilding matters go through both the Assistant Head of Review and the Head of the Review Division. When passed upon by the Review Division it goes to the Administrative Officer of NRA whose signature upon it is final.

The Industrial Relations Committee consists of six members, Research and Planning about eight, Industrial Advisory Board about the same number, Consumers about the same number, Labor six or seven, and the Legal Division two.

Rules and Regulations

Mr. Whittelsey stated that his report upon this matter could be expected in the very near future as he is in receipt of comments from various groups to whom this matter has been submitted.

Extension of Section 3 (c) of the Code

It was the sentiment of the Code Authority that a resolution be passed setting forth the delay in the construction of naval vessels caused by the length of time required in securing action by NRA on proposed extension of exception Section 3 (c) and that such resolution be forwarded to those shipbuilders interested in connection with claims for extension of time on naval contracts where delay has been caused by reasons beyond the shipbuilders' control.

Amendment to Code to Cover Emergencies

At the request of Mr. Whittelsey the following resolution was passed as to a definition of the word "emergency" under the Code which definition supersedes the proposed definition passed by the Code Authority on January 17, 1935 and February 21, 1935.

> "RESOLVED, That the following is adopted as a definition of emergency work:
>
> > 'The term "emergency" means that situation involving danger or menace to the safety of a vessel, to life, or to property, or where a delay would work an undue hardship on the owner or the shippers or the passengers through loss of use of a vessel for prompt loading or discharge or prompt and safe carriage of cargo or passengers to destination; and
>
> "FURTHER, BE IT RESOLVED, That to each of the paragraphs 3 (a) and 3 (b) of the Code there be added the following words:
>
> > 'The above limitation of maximum weekly hours in any one week shall not apply to emergency work.' "

Mr. Whittelsey informed the Committee that he anticipated early action upon this matter of emergency work.

It was pointed out, however, that this matter had been referred

to NRA by letter of January 17th and that a temporary stay of sixty days granted under date of February 19, 1935 (Administrative Order No. 2-31) contained provisions as to overtime that made it unacceptable to the industry. Early action upon this matter was requested.

Overtime in the Mobile Area

Having been requested by NRA to give its interpretation of the term "day" as used in the Code the matter was discussed and the following resolution was moved by Mr. Gerhauser and seconded by Mr. Williams, and unanimously carried:

> "RESOLVED, That it is the sense of the Code Authority that the 'day' referred to in the Code means 'Calendar Day'."

APRIL 26, 1935. MEETING HELD AT 11 BROADWAY, NEW YORK CITY, AT 10:30 A. M. Briefs and excerpts from Minutes (Reference: Deputy's Files, Section 2)

There were present, representing the Industry, Messrs. H. Gerrish Smith, Chairman, Roger Williams, Robert Haig, and Joseph Haag, Jr.; representing the Administration, Messrs. Francis E. Lee, R. L. Hague, Captain Henry Williams and C. C. Knerr, Secretary-Treasurer. Others present were H. Newton Whittelsey, Assistant Deputy Administrator, and J. W. Hart, Member, Industrial Relations Committee. Those absent were Messrs. S. W. Wakeman, W. H. Gerhauser and J. S. McDonagh.

Financial Statements

The financial statements for the month of March on motion of Robert Haig, seconded by Joseph Haag, Jr. were approved and made a part of the minutes.

Administrative Orders

The following Administrative Orders were read and placed in the record for the information of the Code Authority:

ORDER NO. 2-32
CODE OF FAIR COMPETITION
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Denying request of the Shipbuilding and Shiprepairing Industry Committee for deletion of provisions in Exemptions and Partial Stays granted, pertaining to the requirement that at least time and one-half be paid for all hours worked in excess of the maximum weekly hours of the Code incorporated in Administrative OrdersNos. 2-6, 2-16, 2-19, 2-25, 2-28, 2-20 and 2-31.

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ORDER NO. 2-33
CODE OF FAIR COMPETITION
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

Granting Exemption from Part 3 (a) of the Code to the New York Shipbuilding Corporation, Electric Boat Company and the Bethlehem Shipbuilding Corporation, to permit designers to exceed the maximum hours of the Code on certain Naval shipbuilding designs.

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(1) Dual Overtime Provisions

(2) Appeal From Decision Administrative Order 2-32

(3) Resolution re: Staying Request For Action On Amendment Covering Definition Of "Emergency"

(4) Resolution Of Confirmation Of Request For

Further Stay To Permit "Emergency Work"

Resolution No. 1 -- moved by Mr. Roger Williams, seconded by Mr. Joseph Haag, Jr. and carried:

"WHEREAS, The preparation of plans in connection with the building of naval vessels and particularly the prompt preparation of plans resulting from changes is necessary to the expeditious construction of naval vessels and the carrying out of changes at the plants of contractors constructing naval vessels; and

"WHEREAS, The working of longer hours per week is essential to the preparation of such plans and in the laying down of work in the mold loft to expedite the work of construction and maintenance of employment; and

"WHEREAS, There has been presented to N.R.A. by the Code Authority under date of February 7, 1935, a request to extend the period of exemption provided in Section 3 (c) of the Code; and

"WHEREAS, This action taken by letter of February 7, 1935, was ratified by formal resolution of the Code Authority at its meeting on February 21, 1935; and

"WHEREAS, The Code Authority has been unable to obtain sanction to this extension without the imposition by N.R.A. of dual overtime provisions in the determination of overtime on a weekly basis as well as on a daily basis, whichever is the greater; and

"WHEREAS, The overtime consideration cannot be accepted by the Industry as it would establish a precedent foreign to overtime practice of the Industry;

"BE IT RESOLVED, That the tardy action of N.R.A. and its final refusal to grant relief to the contractors from the unacceptable dual overtime provision, is equivalent to compelling them to perform all work within the limitations of the regular Code hours, which may occasion delay, due to causes beyond the control of the contractor and without his negligence, in the completion of naval vessels now under construction."

In connection with the above resolution it was felt by the Industrial Members of the Code Authority that it might be well to consider delays on other requests for exemptions with the view of submitting a broader resolution than the above, which matter will be taken in hand.

Resolution No. 2 -- moved by Mr. Roger Williams, seconded by Mr. Robert Haig, and carried:

"BE IT RESOLVED, That the Action of the Chairman taken by letter of April 8, 1935, informing NRA that the Code Authority expects to appeal directly to the Industrial Appeals Board the provision contained in Administrative Order 3-32 be and is hereby ratified and directs the Chairman to pre-

pare an appeal and upon completion to file with and appear before the Industrial Appeals Board."

Resolution No. 3 -- Moved by Mr. Joseph Haag, Jr., seconded by Mr. Roger Williams, and carried:

"RESOLVED, That the action taken by the Chairman in his letter of April 8, 1935, staying the request for action on the amendment to the Code to cover the definition of the word 'emergency' covered in the Code Authority's letter of March 28, 1935, be and is hereby ratified."

Resolution No. 4 -- moved by Mr. Roger Williams, seconded by Mr. Joseph Haag, Jr., and carried:

"RESOLVED, That the action of the Chairman taken by his letter of April 8, 1935, requesting that a further stay of the maximum hour provisions of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry contained in Part 3, Paragraphs (a) and (b), be granted to June 16, 1935, be and is hereby ratified."

August 20, 1935, Meeting of the Industry Members of the Code Authority called for the purpose of closing up its affairs, was held on Tuesday, August 20, 1935, at 10:30 A. M. in the office of the National Council of American Shipbuilders, 11 Broadway, New York, New York. (Ref. Minutes, Deputy's files)

There were present the following:

Roger Williams
S. W. Wakeman
W. H. Gerhauser
Joseph Haag, Jr.
Robert Haig
H. Gerrish Smith
C. C. Knerr, Secretary

Excerpts of the Minutes are as follows:

"Reading of Minutes

"The reading of the minutes of the meeting held on April 26, 1935, was dispensed with and approved as they had been previously submitted to each member of the Code Authority."

"Financial Statements

"The financial statements for the months of April, May, June and July were approved and made a part of the minutes."

"Liquidation of Code Funds

"The Chairman recorded that after all disbursement (for all areas) had been made, a balance of $13,382.27 remained unexpended.

"There was also discussion as to the disposition of the files and records of the Code Authority and District and Local Areas, and it was the opinion that these records should be placed under the jurisdiction of the National Council of American Shipbuilders.

"The balance of $13,382.27 as mathematically calculated would be equivalent to a refund of $0.185997 on the dollar and the following letter, to be addressed to those members of the industry who contributed to the expense of administering the code, was agreed upon as covering the disposition of both moneys and records."

"'(Name of Individual Firm
to be Inserted)

Gentlemen:

"The Industry Members for the Shipbuilding and Shiprepairing Industry that were represented on the Code Authority for the Code of Fair Competition and Trade Practice have held no meetings since April 26, 1935 until August 20, 1935, on which date a meeting was held to consider and recommend action as to the disposition of the files and records, and the liquidation of moneys obtained from code assessments and now on hand.

"There is attached hereto a definite statement of receipts and expenditures for the period July 26, 1933 to June 16, 1935. The receipts from assessments and from the liquidation of furniture and fixtures totaled $72,071.41 and the total expenditures were $58,689.14, leaving a balance for distribution of $13,382.27 or $0.185997 for every dollar received. Your proportion would be $_____.

"It is believed that all of those who contributed to the administration of the Code will be satisfied upon an inspection of the financial statements that strict economy was exercised in the administration of the funds by the Code Authority, the District and the

Local Area Committees--an accomplishment that could only have been obtained by making use of existing organizations within the industry.

"It is suggested that the Industry assent to the disposition of the file and records and the distribution of unexpended funds as follows:

1. That the National Council of American Shipbuilders be assigned to take care of such files and records as it is important to preserve.

2. That the unexpended balance of individual or corporate voluntary contributions to the administration of the Code (that is, $0.185997 for every dollar received) be assigned to the National Council of American Shipbuilders to be expended in trade association activities for the shipbuilding and shiprepairing industry as the National Council of American Shipbuilders may deem just and proper.

3. That if the individual or corporate contributor is not satisfied to distribute the balance on hand as suggested above that a check be made out and mailed to him or it in an amount which shall equal the balance of his contribution remaining in the fund.

"Please note the attached two form letters - Form No. 1 assenting to items Nos. 1 and 2 above, and Form No. 2 assenting to items Nos. 1 and 3 above, which are sent to you for your convenience in responding to the above recommendations. It will be appreciated if you will fill out promptly the one to which you agree and return it to this office.

"In order to facilitate a prompt closing out of the work of the Code Authority it will be assumed that if a reply to our letter is not received on or before September 15, 1935 that you assent on your part to the Form Letter No. 1 sent to you.

"There is enclosed for your convenience a self-addressed, stamped envelope for your reply.

Very truly yours,

C. C. Knerr,
Secretary "

"In view of the fact that this is the last meeting to dispose of all matters relating to the administration of the Code and that it was called for the purpose of closing up the affairs of the Code Authority the minutes are hereby approved and signed by the Industry Members of the Code Authority.

"/s/ Roger Williams

"/s/ S. W. Wakeman

"/s/ W. H. Gerhauser

"/s/ Joseph Haag, Jr.

"/s/ Robert Haig

"/s/ H. Gerrish Smith

"ATTEST

"/s/ C. C. Knerr
Secretary"

4. Agencies of the Code Authority

(a) Local. See Field Organization
(b) Compliance. See Field Organization
(c) Statistical. See Field Organization

5. Field Organization

The plan for the National Committees, District Committees and Local Area Committees was first submitted as part of the "By-Laws (so-called) for administering and enforcing the Shipbuilding Division of the Shipbuildin- and Shiprepairing Industry" and the "By-Laws (so-called) for administering and enforcing the Shiprepairing Division of the Shipbuilding and Shiprepairing Industry". (Ref. Vol. II, Code Record Safe and Exh. I and Exh. J Appx.)

The original By-Laws as submitted were modified and approved by Industry as per the following excerpt from letter of August 20, 1935 from H. Gerrish Smith, President of the National Council of American Shipbuilders to H. Newton Whittelsey, Assistant Deputy Administrator. (Ref. Exh. N-1, Appx.)

"(c) By-Laws. Immediately after the Code was signed by the President of the United States a meeting was called of all shipbuilders and shiprepairers who were proponents of the Code, the first meeting being held on August 1, 1935 for the discussion and formulation of final by-laws for the shipbuilding and shiprepairing division, as some of the provisions contained in the original code were deleted by the Administration from the Code proper but it was understood the provisions could be incorporated in the by-laws.

"Companies having representatives at the meeting of August 1st, were:

Newport News Shipbuilding & Dry Dock Company
The Pusey & Jones Corporation
Alabama Dry Dock & Shipbuilding Company
The Maryland Dry Dock Company
Bethlehem Shipbuilding Corporation, Ltd.
Sun Shipbuilding & Dry Dock Company
New York Shipbuilding Corporation
Todd Shipyards Corporation
Kensington Shipyard & Dry Dock Corporation
Bethlehem Shipbuilding Corp. Ltd. (West Coast plants)
New York & New Jersey Dry Dock Association
National Council of American Shipbuilders

"The by-laws for both divisions were gone over and after thorough discussion they were left with a drafting committee to smooth them up. This was done and on

August 4th and 8th, at meetings of shipbuilders and shiprepairers the by-laws were put in form for presentation to the Shipbuilding and Shiprepairing Industry on August 9th.

"At the meeting on August 9th, at which representatives of the following companies were present:

The Maryland Dry Dock Company
The Pusey & Jones Corporation
Alabama Dry Dock & Shipbuilding Company
Bethlehem Shipbuilding Corporation
Todd Shipyards Corporation
Sun Shipbuilding & Dry Dock Company
Norfolk Shipbuilding & Dry Dock Company
Kensington Shipyard & Dry Dock Corp.
Newport News Shipbuilding & Dry Dock Co.
Ira S. Bushey & Sons
National Council of American Shipbuilders

the by-laws for both the shipbuilding and shiprepairing divisions were finally ironed out and adopted and made effective at 12:01, August 14, 1933.

"It was the belief of the proponents of the Code that the adoption of the by-laws was within their power. These by-laws were submitted to all members of the Industry prior to the election of a Code Authority.

"The first meeting with the Deputy Administrator was on August 28, 1933, at which meeting much time was devoted to going over the by-laws (effective on August 14th) to see if they constituted in any way an amendment to the Code. (See N.R.A. Release No. 540 of August 28, 1933).

"The meetings held on September 6th and 11th were devoted almost entirely to getting the by-laws in some form which would be acceptable to Mr. Davis, and after a public hearing held on Tuesday, September 26th, the Rules and Regulations dated October 2, 1933, supplanted the original by-laws of August 14, 1933.

"Answering your specific question under (c), the by-laws were not put in force by the Code Authority but were adopted by the Industry as shown above."

The By-Laws as revised by Industry, effective August 14, 1933, were the subject of a hearing August 28, 1933, (Ref. Code Record Section). It was determined to change the title from By-Laws to Rules and Regulations.

The Rules and Regulations were the principal subject of consideration in meetings of the Shipbuilding Industry Committees (Code Authority) held September 6, 1933 and September 11, 1933. (Ref. Minutes, Deputy's Files). They were further the subject of the hearing of September 26, 1933, (Ref. Code Record Section) and meetings of the Shipbuilding and Shiprepairing Industry Committee (Code Authority) held September 27, 1933, and October 2, 1933. They were finally approved by the Committee at the October 2, meeting. (Ref. Minutes, Deputy's Files) of which the following is an excerpt:

> "Mr. Smith raised the question as to the propriety of having the Rules and Regulations approved by the President of the United States so as to become the "law of the land". Mr. David reported that he had taken this matter up with Colonel Lea and that it was thought that the Code Committee had sufficient power under the code to enforce the Rules and Regulations as written and that the approval of our Rules and Regulations would establish a precedent. Mr. Davis was of the opinion, however, that if the Rules and Regulations were found to be unenforceable that he would again take the matter up with the Administrator to have them approved by Executive Order.
>
> "Mr. David then suggested that the Rules and Regulations be signed by each member of the Code Committee and this was agreed to.
>
> "The Rules and Regulations (Ref. Exh. L. Appx.) promulgated under the authority of the Code Committee were then read and upon motion by Joseph Haag, seconded by Robert Haig, the following resolution was adopted:
>
> > 'RESOLVED: That these Rules and Regulations having been discussed and agreed upon are thereby adopted.'
>
> A vote was taken by the Code Committee and all answered in the affirmative.
>
> "A poll was then taken of the Presidential Appointees and they approved of the Rules and Regulations as adopted."

It is the opinion of the Assistant Deputy (the author) that the foregoing recounted advice was one of the two basic unfortunate incidents that lead to the difficulties of the Industry under the Code and the administration of it. As later history proved, this instrument should have been immediately submitted to the Administrator for approval.

Both the By-Laws (so-called) and the Rules and Regulations consisted, in fact, of two parts. The first part pertained to the National, District and Local Area Committees and their functions, and the second part to Trade Practices. The later history of the Rules

and Regulations is hereinafter set forth under Title III - Code Administration, sub-title C. - By-Laws, page 454 hereof. The first part, being largely administrative, was generally within the authority of the Code Authority, even though not formally approved, and the respective Committees were duly set up and functioned during the period of the life of the Code.

The following is an excerpt of the "By-Laws (so-called) for administering and enforcing the Shipbuilding Division of the Shipbuilding and Shiprepairing Industry, as originally submitted with the Code (Ref. Vol. II, Code Record Safe and Exh. I, Appx.), which pertains to these Committees and their functions:

"SEGREGATION OF THE SHIPBUILDING INDUSTRY

2. For the purpose of administration of the Code the shipbuilders will be segregated, according to the location of their respective shipyards, into the following major geographic districts:

(a) Atlantic Coast
(b) Gulf Coast
(c) Pacific Coast

"ADMINISTRATION

3. The Code shall be administered by a Committee of eight (8) members; five (5) elected from the Atlantic Coast; one (1) from the Gulf Coast and one (1) from the Pacific Coast and a Chairman who will be the President of the National Council of American Shipbuilders without the right to vote. Each of the seven (7) members of the Committee elected from the Atlantic, Gulf and Pacific Coasts shall be a representative of the Individual Members of the National Council of American Shipbuilders or signators of this Code.

4. The Atlantic Coast members of the Committee will be elected in the following manner:

(a) The President of the National Council of American Shipbuilders shall appoint a nominating committee consisting of three members representative of the shipbuilding industry. This Committee shall promptly prepare two ballots.
(1) The first ballot will consist of four (4) candidates chosen to represent shipyards employing less than an average of 1,000 men for the preceding twelve (12) months.
(2) The second ballot will consist of six (6) candidates chosen to represent shipyards employing more than 1,000 men for the preceding twelve (12) months.

(b) Additional names may be placed on the ballots on written petition of not less than six (6) shipyards.

(c) From the first ballot two (2) representatives will be elected by a majority vote of the shipbuilders, where each shipbuilder shall be entitled to cast one vote for each of two representatives.

(d) From the second ballot three (3) representatives will be elected by a majority vote of the shipbuilders where each shipbuilder shall be entitled to cast one vote for each of three representatives for each 1,000 average workmen employed by such shipyard on shipbuilding work during the preceding twelve (12) months prior to such election.

(e) Alternates will be selected by the principal to substitute for him in his absence.

(f) Gulf and Pacific Coast representatives and alternates will be elected by their respective groups.

(g) The Vice President of the National Council of American Shipbuilders will serve as alternate for the Chairman.

5. In the event of a complaint by a shipbuilder that can not be amicably adjusted by the Committee, then such shipbuilder shall have the right to appeal through the Chairman to the Administration of the National Industrial Recovery Act. The Chairman shall present the subject in dispute to the Administrator and shall provide an opportunity for the dissenting shipbuilder to be heard at the same time.

6. The Committee shall hear all complaints and consider proposals for amendments to the Code or exceptions thereto. The Chairman shall perform the service of liaison officer with such officers as may be appointed by the President of the United States to effectuate the policy of the National Industrial Recovery Act."

The following is an excerpt of the "By-Laws (so-called) for administering and enforcing the Shiprepairing Division of the Shipbuilding and Shirepairing Industry" as originally submitted with the Code (Ref. Vol. II Code Record Safe and Exh. J, Appx.), which pertains to these Committees and their functions:

"SEGREGATION OF THE SHIPREPAIRING INDUSTRY

2. For the purpose of administration of the Code the shiprepairers will be segregated, according to the location of their respective shipyards, into the following major

geographical districts.

(a) Atlantic Coast
(b) Gulf Coast
(c) Pacific Coast

3. The shiprepairers on the Atlantic Coast will be further segregated according to the location of their respective shipyards into the following local geographical districts:

(a) New England
(b) New York
(c) Delaware River and Bay
(d) Chesapeake Bay
(e) Hampton Roads, including the South Atlantic Coast.

4. Shiprepairers whose yards are situated on each of the Gulf Coast and Pacific Coast will be segregated into such local districts as they may determine to be advisable.

"ADMINISTRATION

5. The Code shall be administered by the organization of the following named Committees:

(1) Local Committees
(2) District Committees
(3) National Committee

6. Local Committees. The shiprepairers in each local district shall organize a Local Committee with a Chairman and a Vice-Chairman, and such other officers as they may deem necessary.

7. Each Local Committee shall be responsible for the enforcement of the Code, insofar as practicable, in its local district.

8. As a means of providing an equitable representation on the District Committee, as hereinafter provided, the shiprepairers in each local district shall elect two representatives to serve as members of such District Committee on the following basis:

9. One representative will be elected by a majority vote of the shiprepairers where each shiprepairer shall be entitled to cast one vote.

10. A second representative shall be elected by a majority vote where each shiprepairer shall be entitled

19. The National Committee shall have a Chairman, who shall be elected by a majority vote of the total numbe r of members of the District Committees. He shall not be identified as an officer or employee of any partnership or corporation engaged in building or repairing vessels, nor shall he be entitled to vote.

20. The National Committee shall act and consult with its Chairman on subjects of national scope, including the hearing and adjustment of complaints and the consideration of proposals as to the amendment of the code or exceptions thereto. The chairman shall perform the service of contact officer with such officers as may be appointed by the President to effectuate the policy of the "National Industrial Recovery Act."

21. If any Local Committee shall refer to the Chairman any subject for his advice and action, which, in his judgment, is properly a subject for consideration by a District Committee, he shall refer the subject to such District Committee for its action and recommendation."

The following is an excerpt of the Rules and Regulations as approved by the Shipbuilding and Shiprepairing Industry Committee (Code Committee) October 2, 1933 (Ref. Exh. M Appx.), which pertains to these Committees and their functions:

"I. SEGREGATION OF THE SHIPBUILDING INDUSTRY

For the purpose of administering the code, the shipbuilders will be segregated, according to the location of their respective shipyards, into the following major geographical districts or groups:

(a) Atlantic Coast
(b) Gulf Coast
(c) Pacific Coast
(d) Great Lakes
(e) Mississippi and Tributary Rivers
(f) Other major groups that may come under the Code.

"II. SHIPBUILDING COMMITTEE

1. To assist the Code Committee in the administration of the code there shall be elected, in the manner directed by the Code Committee, a Shipbuilding Committee of not less than nine (9) members, of which until otherwise determined by the Code Committee, five (5) shall be elected from the Atlantic Coast; one (1) from the Gulf Coast; one (1) from the Pacific Coast; one (1) from the Great Lakes, and one (1) from the Mississippi and tributary rivers. The President of the National Council

of American Shipbuilders shall be Chairman of the Shipbuilding Committee, but without the right to vote. The Vice-President of the National Council of American Shipbuilders shall serve as alternate for the Chairman.

2. It shall be the duty of the Shipbuilding Committee to obtain from employers and deliver to the Code Committee such reports in respect to wages, hours of labor, conditions of employment, number of employees, and other matters pertaining thereto as may be necessary, or as may be required by the Code Committee to keep the Code Committee informed as to the operation and observance of the code by the shipbuilding industry; and to make recommendations to Code Committee with respect to desirable or proposed modifications of, additions to, or exceptions from the code, and to receive, to consider and to attempt to adjust all complaints (except labor complaints) with respect to the operation and observance of the code.

3. It shall be the duty of the Shipbuilding Committee, with respect to all infractions and evasions of the code within its knowledge, to notify the member or members of the industry involved in such infractions or evasions to the end that such member or members shall promptly desist therefrom, and in case of any such infraction or evasion persisted in after such notice, the Shipbuilding Committee shall promptly bring such infraction or evasion and the proceedings of the Shipbuilding Committee in connection therewith together with any views or documents that such member or members may care to submit, to the attention of the Code Committee.

4. In the event that any complaint cannot be amicably adjusted by the Shipbuilding Committee, then the complainant shall have the right to appeal to the Code Committeel and the Shipbuilding Committee through its Chairman, shall present to the Code Committee the matter in dispute and the proceedings of the Shipbuilding Committee in connection therewith, together with any views or documents that the interested party or parties shall care to submit, and the Code Committee will provide an opportunity for all interested parties to be heard.

"III. SEGREGATION OF THE SHIPREPAIRING INDUSTRY

For the purpose of administration of the Code the shiprepairers will be segregated, according to the location of their respective shipyards, into the following major geographic districts:

(a) Atlantic Coast
(b) Gulf Coast

(c) Pacific Coast
(d) Great Lakes
(e) Mississippi River and Tributaries.

The shiprepairers on the Atlantic Coast will be further segregated according to the location of their respective shipyards into the following geographical areas:

(a) New England
(b) New York
(c) Delaware River and Bay
(d) Chesapeake Bay
(e) Hampton Roads, including the South Atlantic Coast

The shiprepairers on the Gulf Coast, may be segregated into such local areas as they may determine to be advisable.

The shiprepairers on the Pacific Coast, on the Great Lakes and on the Mississippi River and Tributaries may be segregated into such local geographical areas as the district committee in each of these districts decides to be desirable.

"IV. LOCAL SHIPREPAIRING COMMITTEES

The shiprepairers in each local area shall organize a Local Committee with a Chairman and a Vice-Chairman and such other officers as they deem necessary.

1. It shall be the duty of each Local Shiprepairing Committee to receive, to consider, and to attempt to adjust all complaints (except labor complaints) as to the operation and observance of the code arising within its local area. In the event that any complaint cannot be amicably adjusted by the Local Shiprepairing Committee, then the complainant shall have the right to appeal to the Code Committee, and the Local Shiprepairing Committee through its Chairman, shall present to the Code Committee, the matter in dispute and the proceedings of the local shiprepairing committee in connection therewith, together with such views or documents as the interested party or parties may care to submit, and the Code Committee will provide an opportunity for all interested parties to be heard.

2. It shall be the duty of each local shiprepairing committee, with respect to all infractions and evasions of the code within its knowledge, to notify the member or members of the industry involved in such infraction or evasion to the end that such member or members shall promptly desist therefrom and in case of any such infraction or evasion persisted in after such notice, the

local shiprepairing committee shall promptly bring such infraction or evasion, and the proceedings of the local shiprepairing committee in connection therewith, together with any views or documents that such member or members may care to submit, to the attention of the Code Committee.

3. It shall be the duty of each local shiprepairing committee to cooperate with its district shiprepairing committee, the National Shiprepairing Committee and the Code Committee when called upon to do so, and each local shiprepairing committee shall be free at all times to suggest to its district committee or to the National Committee or to the Code Committee, any modifications of, additions to, or exceptions from the code, that may seem to it desirable.

"V. DISTRICT SHIPREPAIRING COMMITTEES

1. Each of the geographical districts into which the industry is segregated shall have a District Shiprepairing Committee. Unless and until otherwise provided by the Code Committee two members of the District Committee shall be elected for each local area in that district by the shiprepairers in that local area; provided, however, that the total number of representatives on the district committees of the Gulf Coast and of the Pacific Coast combined, shall not exceed the total number of representatives on the district committee, of the Atlantic Coast; and no shiprepairer shall have more than one representative on any district committee, nor shall a shiprepairer have more than two representatives on all the district committees combined.

2. Each district committee shall elect a chairman and a vice-chairman, and such other officers as it may deem necessary.

3. Each district committee shall have, with respect to matters affecting generally the shiprepairers in such district, the duties that are set forth in Section IV above for local committees with respect to local matters.

"VI. NATIONAL SHIPREPAIRING COMMITTEE

1. The National Shiprepairing Committee shall be composed of the chairman of all the district shiprepairing committees, and the vice-chairman of each district committee shall act as alternate for the chairman of that district committee. The chairman of the National Committee shall be elected by a majority vote of the whole number of members of the

district committees. He shall not be identified as an officer or employee of any partnership or corporation engaged in building or repairing vessels, nor shall he be entitled to vote.

2. The National Committee shall act and consult with its chairman on subjects of national scope,-including the hearing and adjustment of complaints, (except labor complaints) the reporting and adjusting of infractions and evasions of the code, and the consideration of proposed or desirable amendments of, additions to, and exceptions from the code, and the chairman shall report to the Code Committee all such amendments, additions or exceptions as are approved by the National Committee.

3. In the event that any complaint cannot be amicably adjusted by the National Committee, then the complaint shall have the right to appeal to the Code Committee, and the National Committee, through its chairman, shall present to the Code Committee the matter in dispute, and the proceedings of the National Committee in connection therewith, together with such views or documents as the party or parties in interest shall care to submit, and the Code Committee will provide an opportunity for all interested parties to be heard.

4. If any local committee shall refer to the National Committee any subject for its advice and action which, in the judgment of the National Committee, is properly a subject for consideration by a district committee, the National Committee shall refer the subject to such district committee for its action or recommendation.

5. The local shiprepairing committees and the district shiprepairing committees may prepare and submit to the Code Committee such additional rules and regulations as they may deem appropriate to deal with purely local problems in the local areas, and with district problems in the districts. But no such rule or regulation shall become effective until it has been expressly approved in writing by the Code Committee."

These Committees were duly selected as set forth in a chart dated September 22, 1933 (Ref. Exh. L Appx.) and were approved October 2, 1933, by the Shipbuilding and Shiprepairing Industry Committee (Code Committee) (Ref. Minutes, Deputy's files) by the following resolution:

"The members of the Code Committee were handed a chart showing the organization of Shipbuilding and Shiprepairing Industry Committees for operation under the Code dated September 21, 1933. (Ref. Exh. L, Appx.)

"On motion of Mr. S. W. Wakeman, seconded by Mr. Joseph Haag and unanimously carried it was:

'RESOLVED: That the Committees appointed or elected and set up on the chart dated September 21, 1933 and attached hereto be ratified and confirmed.'"

The subject Committees as set forth on the chart are as follows:

SHIPBUILDERS ADMINISTRATIVE COMMITTEE

(As Provided By Paragraph 4 of The Shipbuilding By-Laws)

CHAIRMAN - H.G.SMITH - Pres. National Council of Amer. Shipbldrs.
SECRETARY - C.C.KNERR - Sec. National Council of Amer. Shipbldrs.
ATLANTIC COAST 1.C.L.BARDO - Pres. New York Shipbuilding Co.
2.H.L.FERGUSON - Pres. Newport News S/B & D/D Co.
3.W.S.NEWELL - Pres. Bath Iron Works Corp.
4.J.W.POWELL - Pres. United Dry Docks, Inc.
5.S.W.WAKEMAN - Vice Pres. Bethleham S/B Corp. Ltd.

GULF COAST D.R.DUNLAP-Pres. Alabama D/D & S/B Co.
(ALTERNATE-ANGUS MARSHALL-Pres. Pa. Shipyards, Inc.

PACIFIC COAST A.S.GUNN-Gen. Mg'r. Union Plant, Bethlehem S/B Corp.

GREAT LAKES W.H.GERHAUSER-Pres. American S/B Co.

SHIP REPAIRERS NATIONAL COMMITTEE

(As Provided By Paragraph 15 of The Ship Repairing By-Laws)

CHAIRMAN (Temporary) H.G.SMITH PRES. National Council of Amer. Shipbldrs.
SECRETARY (Temporary) C.C.KNERR SEC. National Council of Amer. Shipbldrs.
ATLANTIC COAST JOSEPH HAAG,JR. PRES. Todd D/F Eng. & Repair Corp.
GULF COAST D.R.DUNLAP, PRES. Alabama D/D & S/B Co.
PACIFIC COAST C.W.WILEY, PRES. Todd D/D Inc., Seattle, Wash.
GREAT LAKES W.H.GERHAUSER, PRES. American S/B Co.

ATLANTIC COAST DISTRICT (SHIPREPAIRERS)

CHAIRMAN - JOSEPH HAAG,JR., Pres. Todd D/D Eng. & Repair Corp. N. Y.
VICE CHAIRMAN - ROBERT HAIG, Vice Pres. Sun S/B & D/D Co.
SEC. & TREAS.
NEW ENGLAND A.B.HOMER, Manager of Sales, Bethlehem S/B Corp.
W.S.NOLAN, Sec. Quincy D/D & Yacht Corp.
NEW YORK JOSEPH HAAG,JR., Pres. Todd D/D Eng. & Repair Corp.
F.S.BUSHEY, Pres. Ira Bushey & Sons, Inc.
DEL. RIVER & BAY ROBERT HAIG, Vice Pres. Sun S/B & D/D Co.
A.J.SPEIGEL HALTER, Vice Pres. & Wks. Mgr. Pusey & Jones Corp.
CHESAPEAKE BAY H.M.ADDISON, Pres. Spedden S/B Co.
H.F.BROWN, Pres. Maryland D/D Co.
HAMPTON ROADS H.K.PEEBLES, Mgr. of Repair Dept., Newport News S/B & D/D Co.
& SOUTH ATLANTIC C.S.ROGERS, Vice Pres. & Genl Mgr. Norfolk S/B & D/D Co.

NEW ENGLAND AREA (SHIPREPAIRERS)

CHAIRMAN
G.G.STEBBINS Gen.Mgr.Boston Plant Bethlehem S/B Corp., Ltd.
VICE CHAIRMAN
J.F.ARRINGDALE Pres. Boston Engineering Co.
SEC. & TREAS.
H.W.BLANEY Ass't. To Gen Mgr. Bethlehem S/B Corp.
COMMITTEEMEN
F.C.GATCOMBE Mgr. I. L. Snow Co.
E.B.WHEELER Shipbuilding Mgr. Electric Boat Co.
J.F.MCNERNEY Vice Pres. Crowninshield S/B. Co.
M.T.GREEN Pres. Richard T. Green Co.
M.J.KENNEDY Pres. Quincy D/D & Yacht Corp.
C.J.DONOVAN Pres. & Gen. Mgr. The Marine Co.

NEW YORK AREA (SHIPREPAIRERS)

CHAIRMAN
JOSEPH HAAG, JR. Pres. Todd D/D Eng. & Repair Corp.
VICE CHAIRMAN
F.S.BUSHEY Pres. Ira Bushey & Sons, Inc.
SEC. & TREAS.
N. Y. & N. J. DRY DOCK ASS'N.
COMMITTEEMEN
JOSEPH HAAG, JR. Pres. Todd D/D Eng. & Repair Corp.
GEORGE H. BATES Vice Pres. United Dry Docks, Inc.
G. F. FISCHER Treas. Brewer D/D Co.
L.W.CADDELL Sec.-Treas. Caddell D/D & Repair Co.
BRUCE SCRIMGEOUR Gen. Mgr. Consolidated S/B Co.
F.S.BUSHEY Pres. Ira Bushey & Sons, Inc.

DELAWARE RIVER & BAY AREA (SHIPREPAIRERS)

CHAIRMAN
JOHN WATT Vice Pres. & Gen. Mgr. Kensington Shipyb. & D/D Corp.
VICE CHAIRMAN
R.L.BURKE Vice Pres. Sun S/B & D/D Co.
SEC. & TREAS.
W.F.EDDLEMAN Sec. & Treas. Mathis Yacht Bldg. Co.
COMMITTEEMEN
W.W.ROBINSON Pres. John H. Mathis Co.
S.H.DECOURSEY Pres. Tioga Engineers, Inc.
J.FRANKEL Mgr. Gen. Engineering Wks.
S.NOECKER Vice Pres. Noecker S/B Co.

CHESAPEAKE BAY AREA (SHIPREPAIRERS)

CHAIRMAN
H.H.ADDISON Pres. Spedden S/B Co.
VICE CHAIRMAN
E.W.BARTHOLOW Sec. Booz Bros., Inc.
SEC. & TREAS.
H.H.ADDISON Pres. Spedden S/B Co.
COMMITTEEMEN
H.F.BROWN Pres. Maryland D/D Co.
C.B.LYNCH Pres. Obrecht-Lynch Corp.
J.M.WILLIS Gen. Mgr. Bethlehem S/B Corp., Baltimore

HAMPTON ROADS & SO. ATLANTIC (SHIPREPAIRERS)

CHAIRMAN
H.K.PEEBLES Mgr. of Repair Dept. Newport News S/B & D/D Co.
VICE CHAIRMAN, NORTHERN AREA
C.S.ROGERS Vice Pres. & Gen. Mgr. Norfolk S/B & D/D Co.
VICE CHAIRMAN, SOUTHERN AREA
J.C.MERRILL Gen. Mgr. Merrill Stevens D/D Co.
SECRETARY
O.A.BLOXOM Pres. Southern Shipyard Corp.
TREASURER
G.O.BROUGHTON Gen. Mgr. Old Dominion Marine Railway Corp.
COMMITTEE MEN
C.S.BOYKIN Vice Pres. Charleston D/D & Mach'y. Co.
B.O.COLONNA Vice Pres. Colonna's Shipyard, Inc.

GULF COAST DISTRICT (SHIPREPAIRERS)

CHAIRMAN
D.R.DUNLAP Pres. Alabama D/D & S/B Co.
VICE CHAIRMAN
R.O.GRAVES Gen. Mgr. Galveston D/D & Construction Co.
SEC. & TREAS.
B.F.CAMPBELL Alabama D/D & S/B Co.
TAMPA W. O. REY Pres. Dayboro Marine Ways Co., St. Petersburg
MAX KREHER Sec. & Treas. Tampa S/B & Engrg. Co.
PENSACOLA J.C.DUNHAM Pres. Bruce D/D Co.
T.J.SHERMAN St. Andrews Bay Foundry & Mach. Co.
MOBILE D.R.DUNLAP Pres. Alabama D/D & S/B Co.
A.C.DEYO Vice Pres. Todd S/B & D/D Co. Mobile
NEW ORLEANS S.V.MASSIMINI Gulf Eng. Service & Specialty Co.
F.D.HESLEY Vice Pres. Todd Eng., D/D & Repair Co. N'Orleans
TEXAS R.O.GRAVES Gen. Mgr. Galveston D/D & Construction Co.
J.HAMILTON HILL Pres. Steamship Supply Co.

TAMPA AND WEST COAST OF
SOUTH FLORIDA AREA (SHIPREPAIRERS)

CHAIRMAN
C.J.HYER, Pres. Tampa Marine Co.
VICE CHAIRMAN
H.A.VANBORRSUM, Pres, Fla. Mach. & Eng'r'g. Co.
SEC. & TREAS.
L.B.POSTON, Mgr. River Heights Boat Yd.

PENSACOLA AREA (SHIPREPAIRERS)

CHAIRMAN
J.C.DUNHAM, Pres. Bruce D/D Co.
VICE CHAIRMAN
R.V.COWLEY, Pres. Pensacola Tool & Supply Co.
SEC. & TREAS.
EDMUND FOX, Bruce D/D Co.

MOBILE AREA (SHIPREPAIRERS)

CHAIRMAN
D.R.DUNLAP, Pres. Alabama D/D & S/B Co.
VICE CHAIRMEN
T.J.BENDER, Pres. Bender Welding & Mach. Co.
H.C.MURNAM, Pres. Murnan S/B Co.
SEC. & TREAS.
C.A.BAUMHAUER, Pres. Phoenix Brass Foundry & Mach. Wks.

NEW ORLEANS AREA (SHIPREPAIRERS)
(ALL OF LA. EXCEPT LAKE CHAS)

CHAIRMAN
WARREN JOHNSON, Pres. Johnson Iron Wks. D/D & S/B Co.
VICE CHAIRMAN
F.J.RICHARDSON, Sec. & Treas. Union Iron Wks.
SEC. & TREAS.
R.J.VANDERWENDE, Vice Pres. Todd Eng., D/D & REPAIR CO.

TEXAS AREA (SHIPREPAIRERS)
(INCLUDING LAKE CHARLES, LA.)

CHAIRMAN
J. HAMILTON NILLS, Pres. Steamship Supply Co.
VICE CHAIRMAN
RAYMOND JOHNSON, Sec. McDonough Iron Wks.
SECRETARY
WM.BOLLER, JR., Galveston D/D & Const. Co.

PACIFIC COAST DISTRICT (SHIPREPAIRERS)

CHAIRMAN
C.W.WILEY, Pres. Todd D/D Inc., Seattle, Wash.
VICE CHAIRMAN
SEC. & TREAS.
SAN DIEGO

SAN PEDRO
& LONG BEACH
LOS ANGELES, JAS.G.CRAIG, JR., Pres. Craig S/B Co.
HARBOR GEO.A.ARIES, Pres. Gen. Eng. & D/D Co.
SAN FRANCISCO, J.A.MOORE, Pres. Moore D/D Co.
BAY A.S.GUNN, Gen. Mgr. Bethlehem S/B Corp.
PORTLAND & W.G.E.SMITH, Smith Iron Wks.
COLOMBIA RIVER W.T.CASEY, Pres. Commercial Iron Wks.
PUGET SOUND

SAN DIEGO AREA (SHIPREPAIRERS)

CHAIRMAN
G.E.CAMPBELL, Campbell Mach. Co.
VICE CHAIRMAN
D.B.JOHNSON, San Diego Marine Const. Co.
SEC. & TREAS.
H.C.MARSHALL, San Diego Marine Const. Co.

SAN PEDRO & LONG BEACH (SHIPREPAIRERS)

NO APPOINTEES

LOS ANGELES HARBOR (SHIPREPAIRERS)

CHAIRMAN
JAS.G.CRAIG, JR., Pres. Craig S/B Co.
VICE CHAIRMAN
MAX WARNER, Uhlin Machine Wks.
SEC. & TREAS.

COMMITTEEMEN
THOS.FORSTER, Gen. Supt. San Pedro Wks., Bethlehem S/B Corp.
L.J.REINHARDT, Comptroller Los Angeles S/B & D/D Co.
WALTER RICHARDS, Wilmington Iron Wks.
JAS.G.CRAIG, JR., Pres. Craig S/B Co.
MAX WARNER, Uhlin Machine Wks.

SAN FRANCISCO BAY (SHIPREPAIRERS)

CHAIRMAN
J.T.GREANY, Bethlehem S/B Corp.
VICE CHAIRMAN
ROBERT CHRISTY, United Eng'r'g. Wks.
SEC. & TREAS.
MAURICE ASHER, Sec. Pacific Coast D/D Ass'n.
COMMITTEEMEN
HUGH BROWN, Brown Bros. Welding Co.
FRANK FOX, Chief Engineer Genl. Engrg. & D/D Co.
P.A.COXON, Moore D/D Co.
J.T.GREANY, Bethlehem S/B Corp.
ROBERT CHRISTY, United Engrg. Wks.

PORTLAND & COLOMBIA RIVER (SHIPREPAIRERS)

CHAIRMAN
W.G.E.SMITH, Smith Iron Wks.
VICE CHAIRMAN
L.R.HUSSA, Albina Engine & Mach. Wks.
SEC. & TREAS.
T.L.HANNING, Sec. Steel Tank & Pipe Co.

GREAT LAKES SHIPBUILDING
AND REPAIR ASSOCIATION (SHIPREPAIRERS)

PRESIDENT
W.H.GERHAUSER, Pres. American S/B Co.
VICE PRES.
JOHN T.WEBSTER, Vice Pres. Gr. Lakes Eng. Wks.
SEC. & TREAS.
G.C.SHEIDLER
DIRECTORS
JOHN T.WEBSTER, Vice Pres. Gr. Lakes Engineering Wks.
CHAS.C.WEST, Pres. Manitowoc S/B Corp.
J.BURTON AYERS, Sec. & Asst. Treas. Toledo S/B Co.
H.J.DEFOE, Managing Partner Defoe Boat & Motor Wks.
F.P.RANAHAN, Gen. Manager Buffalo Marine Const. Corp.
J.A.ROGAN, Pres. Calumet Shipyard & D/D Co.
W.H.GERHAUSER, Pres. American S/B Co.

PUGET SOUND (SHIPREPAIRERS)

SEATTLE
CHAIRMAN - C.W.WILEY, Pres. Todd D/D Inc.
VICE CHAIRMAN - OTIS CUTTING
SEC. & TREAS. - S.A.GRIFFITHS
COMMITTEEMEN - T.W.SMITH
P.E.VINOT

EVERETT
CHAIRMAN - H.L.DURHAM, Pres. Everett Marine Ways Inc.
VICE CHAIRMAN - G.FINGLER
SEC. & TREAS. - W.SAMUALS
DISTRICT REPRESENTATIVES - G.W.NUMAW, Pres. Bayside Iron Wks.
H.L.DURHAM

TACOMA
BELLINGHAM
GRAYS HARBOR

MISSISSIPPI RIVER DISTRICT (SHIPREPAIRERS)

The Committee for the Mississippi River and Tributaries was never appointed or elected, and the District and Local Area Committees were not continued after May 26, 1935 (Ref. letter Sept. 3, 1935, from C. C. Knerr, Secretary of the National Council of American Shipbuilders to H. Newton Whittelsey, Asst. Deputy, in Deputy's files), which reads as follows:

"With reference to your letter of August 31st requesting information as to the committee for the Mississippi River and Tributaries, a committee for this section of the country was never appointed or elected. We did, however, have a very close connection with Mr. V. B. Edwards, Vice President of the Dravo Contracting Company, Pittsburgh, Pa., who sent out information from time to time, but in most cases the Code Authority sent the information directly to the yards located on the Rivers.

"In reply to the questions asked in the last paragraph of your letter, this is to inform you that the District and Local Committees have not functioned since May 26, 1935. The staff of the National Council of American Shipbuilders is well acquainted with almost all of the members of the various District and Local Committees and as occasion arises we will probably contact them for such information as we desire to secure with reference to conditions in the shipbuilding and shiprepairing industry."

The changes in these Committees are set forth in letter of August 29, 1935 to H. Newton Whittelsey, Assistant Deputy Director, from C. C. Knerr, Secretary of the National Council of American Shipbuilders (Ref. Exh. L-1 Appx.), which reads as follows:

"I have your letter of August 28 requesting additional information in connection with chart covering the organization of the Shipbuilding and Shiprepairing Industry for Operation under the Code. There were two changes from the original chart which are as follows:

New York Local Area

Chairman
Joseph Haag, Jr.-Todd D/D. Eng. & Rpr. Corp.
Vice Chairman
Geo. E. Monroe, - Wymo Engineering Co.
Treasurer
Joseph Haag, Jr. - Todd D/D. Eng. & Rpr. Corp.
Secretary
L. W. Caddell - Caddell Dry Dock & Repair

Committeemen
Joseph Hagy, Jr. - Todd D/D, Eng. & Repr. Corp.
F. S. Bushey, - Ira S. Bushey & Sons
L. W. Caddell - Caddell Dry Dock & Repair
I. D. Jakobson - Jakobson & Peterson
C. S. Hollock - United Dry Docks, Inc.
Geo. E. Monroe - Wymo Engineering Co.
J. J. Alexander - Alexander, Reid & Co.
J. K. Collings - Turbine Engineering Co.
Andrew Banter, Jr. - Federal Composition & Paint

"The above officers were elected under a plan approved by the Code Authority at its meeting of March 15, 1934. (See pages 3 & 4 of minutes).

"Texas Local Area

"On December 26, 1934, the Texas Local Area reported that new officers were elected in that Area and that R. C. Johnson and William Boller, Jr. resigned as Chairman and Secretary, respectively; and that F. D. Purse, of the Knowles Iron Works was named Chairman and S. H. Kemp, of the Knowles Iron Works, was named Secretary, so that the officers will read as follows:

Chairman
F. D. Purse - Knowles Iron Works
Vice Chairman
Chas. Petrie - Petrie & Company
Secretary
S. H. Kemp - Knowles Iron Works

(See minutes of December 20, 1934, page 11)"

a. Operation and Accomplishments.

Functions and operations of the National, District and Local Committees are hereinbefore set forth on pages 187 to 193 inclusive.

The accomplishment of these Committees outside of the election of the Code Authority, which has heretofore been recounted, consisted principally of the activities of the Local Area Committees. All were active in their respective zones on matters of Trade Practice, compliance with the Code and the like. They kept their own records and only reported to the Code Authority on matters that could not be locally adjusted. Such subjects were reflected in the meeting of January 4, of the Code Authority wherein a considerable number of interpretations on the Rules and Regulations were made. (Ref. Minutes, Deputy's Files and Interpretations under title D, 2 of this chapter). On this subject the President of the National Council of American Shipbuilders, who was the Chairman of the Code Authority, was addressed as follows:

"September 7, 1933

"Mr. H. Gerrish Smith, President
National Council of American Shipbuilders
11 Broadway
New York, New York

Re: Code History - Shipbuilding and Shiprepairing Industry - Operation and Accomplishments of the District and Local Area Committees

"Dear Mr. Smith

"Under date of August 12, I asked for information on the above matter, as well as certain other information. However, I have completed this part of the History in rather good form excepting for this item of "operation and accomplishments".

"As these Committees only reported through the National Committees to the Code Authority and as I have no record of such reports in the file, the only thing I can do under the circumstances is to surmise on this subject. I believe it will be better to obtain the information from you on the matter and hope you will kindly give me a reasonably good picture of the 'operation and accomplishments' of these District and Local Area Committees.

"Thanking you and Mr. Knerr for your previous help given in writing this History, I am

"Yours very truly,

"/s/ H. Newton Whittelsey

H. Newton Whittelsey
Assistant Deputy Director"

"HNW:jwc

No formal reply was made. However, the author was informed that the situation was substantially as recounted in the preceding paragraph. No definite records of the actions of these Local and District Committees can be found in the records other than has already been recounted. The shipbuilders did not show a disposition to make available such records as there may be in the file of the Code Authority. However, in the author's opinion their actions were of only local character and necessarily of short duration as the Trade Practice provisions of the Rules and Regulations went into discard within six or eight months, as is set forth under title D, 4 (c) of this chapter.

6. Discussion of Operation of the Code Authority

After the approval of the Code July 24, 1933, no time was lost in the selection of the Code Authority and it promptly held its first meeting August 22, 1933. It held, during the twenty-two months life of the Code, twenty-two meetings, which were conducted in a serious and businesslike manner. Reference is made to list of and excerpts from Minutes of meetings hereinbefore set forth on pages 67 a to 176 d inclusive.

There were two major problems that confronted this Code Authority, namely those of the restricted maximum hours as provided in the Code and that of adequate Fair Trade Practice provisions, which were not included in the Code. After the effective date of the Code, the Industry soon found itself in difficulties owing to the restricted weekly hours. Consequently the Code Authority made efforts to have the same increased. As a result the President requested the National Labor Board to investigate the subject in the Fall of 1933. This Board appointed a subcommittee, which made a thorough study and the Board later reported to the President in March 1934, which resulted in an amendment, No. 3, April 2, 1934, approved by Hugh S. Johnson, Administrator, to the Code whereby the maximum weekly hours for Naval shipbuilding were increased from 32 to 36 hours per week to coincide with the Code provisions for Commercial shipbuilding. (Ref. Chapter IV, Hours)

Amendment No. 3 only provided partial relief, therefore, the Code Authority made a request of the Administrator for 40 hours per week for the Industry and appeared at a hearing conducted by the Administrator on May 7, 1934. No decision was rendered by the Administrator. Consequently the Industry continued under the 36 hour provision. (Ref. Chapter IV, Hours)

The restricted maximum hours made necessary application for a number of exemptions and stays. It was necessary that the Code Authority apply for exemptions on emergency repair work, and exemptions to permit trial trips, dock trials, etc. Certain shipbuilding companies found themselves in difficulties due to the shortage of labor of certain kinds in completing contracts and the Code Authority requested exemptions for them. (Ref. title D of this chapter.)

The Minutes clearly show very serious thought was given to the problem of Fair Trade Practice provisions. Attention is called to meeting of January 4, 1934, where a series of carefully considered interpretations, pertaining to the Fair Trade Practice part of the Rules and Regulations, were made. The subject is fully set forth in title D, c, of this chapter.

In March 1934 the Code Authority determined to write an amended Code as a proper solution of the difficulty with Trade Practice provisions; also to contain suitable maximum hour provisions for the Industry, as set forth in title D, 1, of this chapter. In the opinion of the author the amended Code should have been submitted during the Fall of 1934, as it is believed the Industry would have been materially benefited by the provisions that probably would have been granted by

N. R. A.

The only discrimination of record was in regard to the San Francisco small plants and other concerns on the Pacific Coast which had not reduced wage rates during the Depression, as set forth in title D, 3, of this chapter. In the opinion of the author, the Code Authority should have requested exemption from or an amendment to the Code to relieve the unfair operation of Section 4 (b) in these instances. In general, the records show that the Code Authority sincerely and without stint of work tried to govern as well as possible the Industry under the Code, and at all times it advocated strict compliance.

C. Budget and Basis of Assessment

The Budgets were on a voluntary basis of assessment. It was the subject of discussion at the meeting of the Shipbuilding and Shiprepairing Industry Committee (Code Committee) on September 12, 1934. The following is an excerpt from the Minutes, page 9 (Ref. Deputy's files).

"Amendment to Code To Provide For The Levy of Assessments

It was decided that the Code Authority would not present an amendment to the Code, at this time, to provide for the levying of assessments for carrying on the work of the Code Authority and its District and Local Area Chairmen, but for the time being would rely upon voluntary contributions."

The budgetary periods were from July 1933 to July 1, 1934, and from July 1, 1934, to June 16, 1935.

The National Council of American Shipbuilders advanced the necessary Code Committee funds until the Committee was in funds of its own. (Ref. Exh. O-5, Appx.)

1. Budgets as submitted and approved

The Budget for July 1933 to July 1, 1934, was not submitted to the Administration as the basis of assessment was voluntary, however, the books were duly audited as of December 31, 1934, and the report of the auditor was submitted as will be set forth in detail with references.

January 4, 1934, at a meeting of the Shipbuilding and Shiprepairing Industry Committee (Code Committee) the following action was taken. (Ref. Page 1, Minutes January 4, 1934, Deputy's files)

"Plan for Distribution of Expense for Administration of the Code

The Chairman presented a plan for prorating cost of administering the Shipbuilding and Shiprepairing Code which plan had been previously discussed and approved by the Industry Members of the Code Committee. Mr. Davis stated that if the plan had been so approved he thought the administration would approve same subject to adjustment of complaints that come in from individual shipyards. Therefore, the plan dated January 4, 1934, attached hereto, was adopted."

"PLAN FOR PRORATING COST OF ADMINISTERING

THE SHIPBUILDING AND SHIPREPAIRING CODE

January 4, 1934

"Information has been collected as to the employment in the various local areas during the past few months and while this employment fluctuates to a considerable degree it shows that the distribution of expense, based on employment, should be as follows:

Atlantic Coast	66%
Gulf Coast	13%
Pacific Coast	13%
Great Lakes	8%
	100%

"No percentage is submitted as yet for the yards on the Great Rivers although some of the smaller ones are operating under the Code. Others, such as barge builders and subsidiaries of the Steel plants, are waiting the outcome of the Plate Fabricators Code. When the status of the River Yards is clearly defined a prorata share of the expense of administration of the code will be allocated to them.

"Up to date no part of the cost of administering the National Council of American Shipbuilders has been charged against the Shipbuilding and Shiprepairing code, although the headquarters of the Code Committee, the Shipbuilders Administrative Committee and the Shiprepairers National Committee are in the offices of the National Council of American Shipbuilders, and much of the time and facilities of the National Council of American Shipbuilders have been devoted to the administration of the Shipbuilders and Shiprepairers Code in establishing the cost of administering the Code. From June 1st to December 31st, 1933 the National Council has expended approximately $7,000 directly chargeable to the Code. This figure is included in the $28,500. From January 1, 1934 to July 1, 1934 approximately twenty-five percent of the cost of operating the National Council will be charged as a proper expense against the administration of the Code. This particular charge amounts to $5,500 and a total billing of $28,500.

"On this basis the prorata distribution to the various districts will be as follows:

Atlantic Coast	$18,800
Gulf Coast	3,700
Pacific Coast	3,700
Great Lakes	2,300
	$ 28,500

"To the amount allocated to each District Committee should

be added the anticipated expense of the District Committee for the period in question.

"The allocation of the expense to each local area on the Atlantic Coast, where the employment returns are fairly complete, is as follows

New England	13.6%
New York	37.7
Delaware River	23.3
Chesapeake	10.9
Hampton Roads	22.6

"The Gulf District, Pacific District and Great Lakes District each should allocate its prorata share to its local areas, based on employment in such areas, as the information at present available to the Code Committee is not sufficient to permit of allocation to the local areas in those districts.

"To cover the expenses of the Code Committee, Shipbuilding Administrative Committee and the Shiprepairing National Committee the Treasurer of each of these committees will render one bill to cover the cost to the respective District Committee Chairmen. District Chairmen will render bills to local area chairmen separately to cover the cost of the Code Committee, Shipbuilding Administrative Committee and Shiprepairing National Committee as one item and the cost of administering the District Committee office as a second item.

"Local Area Committees in collecting funds in their respective areas for the Code Committee and District Committee should add such expenses as are necessary for the administration of the Code in such local areas. Each Local Area Committee should render bills to its yards and shiprepairers in its area.

"Local Area Chairmen will make payment directly to the Treasurer of the Code Committee to cover the expenses of Code Committee, Shipbuilding Administrative Committee and Shiprepairing National Committee and another payment to the District Chairman to cover its expenses.

"A list of the yards in each local area, together with reported employment figures, is enclosed herewith."

In accordance with the foregoing plan the Industry was duly billed on a basis of $1.20 per man employed, on the bill form Exhibit O-1, Appendix. The total billing was $61,652. (Ref. Exh. O-5, Appx., letter

to H. Newton Whittelsey, Assistant Deputy Administrator from C. C. Knerr, Secy.-Treas. of Natl. Council of American Shipbuilders, Sept. 5, 1935)

March 15, 1934, the Code Committee authorized the opening of the bank account. (Ref. page 1 Minutes, Deputy's files)

"Opening of a Bank Account

The treasurer announced that it would be necessary to authorize some depositary for the monies received in connection with the operations of the Shipbuilding and Shiprepairing Code and thereupon on motion of Roger Williams, seconded by W. H. Gerhauser, it was

"RESOLVED: That an account or accounts be opened for and in the name of this Association with THE NATIONAL CITY BANK, 26 Broadway, and that the said Bank is hereby authorized to pay or otherwise honor any checks, drafts, or other orders issued from time to time for debit to said account or accounts when signed in any manner in the name or on behalf of this Association by

H. Gerrish Smith, Chairman, and
C. C. Knerr, Treasurer, jointly

either in an official capacity or otherwise, inclusive of any such in favor of any said person(s), and that the said account or accounts be reconciled from time to time by said person(s), or his or their designees."

In accordance with the foregoing, the bank account was opened April 4, 1934, with the National City Bank of New York in the name of the Shipbuilding and Shiprepairing Code Committee (Ref. letter Feb. 23, 1935, from C. C. Knerr, Secretary-Treasurer to H. Newton Whittelsey, Assistant Deputy Administrator, Exh. O, Appx.)

April 24, 1934, the Code Committee received from the Chairman a report and took action as per the following excerpt from the Minutes. (Ref. Minutes, page 5, Deputy's files).

"Budget for Code Authority

The Chairman of the Code Authority reported that at the January 4th meeting of the Code Authority a budget was adopted totalling $28,500 for expenses of the National Organization and that in the meantime the expenses of the Atlantic and Gulf Coast District

Committees had been reported as $8,470 and the expenses of the Atlantic Coast and Gulf Coast Local Area Committees were $6,511 or a grand total of $43,481, and that up to April 23rd the Code Authority was in receipt of funds to the extent of $21,584.

"The Chairman further reported that the National Council of American Shipbuilders had made expenditures from its own funds for the carrying on of Code Authority work and that up to and including March 31, 1934 had expended a total of $14,276.15 which amount, together with the amounts set up by the District and Local Area Committees should be reimbursed.

"In view of the funds in hand being insufficient to pay all amounts requested some method of proper allocation must be determined upon and upon motion by Mr. W. H. Gerhauser, seconded by Mr. Joseph Haag, the following resolution was adopted:

"RESOLVED: That a Committee of Two be appointed by the Chairman to audit the bill of the National Council of American Shipbuilders; and

"BE IT FURTHER RESOLVED: That the committee be and is hereby empowered to determine the distribution of funds in hand at this time.

"The Chairman in accordance with the above resolution thereupon appointed Mr. Robert Haig and Mr. Roger Williams to act as this Committee of two."

Also the Budget for the Industrial Relations Committee was considered and acted on at the same meeting as per the following excerpt: (Ref. Minutes, page 9, Deputy's files)

"Budget for Industrial Relations Committee

The President then offered for discussion the budget prepared by the Industrial Relations Committee in the amount of $32,000. The tentative figures as reported are as follows:

Executive Secretary	$5,000.00
Stenographer & File Clerk	1,800.00
Office Rent (Washington, D.C.)	1,000.00
Telephone, postage, stationery, etc.	1,200.00
Miscellaneous expense of investigations, etc.	2,000.00
Stenographic and Office expense, and rent for seven regional committees	21,000.00
TOTAL:	$32,000.00

"There was much discussion as to how to raise this money and one suggestion was advanced that a special assessment be made on the Industry to carry on the activities of the Industrial Relations Committee, but it was believed that a special assessment could not be levied at this time and that it should come out of the general funds of the Code Authority.

"The Code Authority in reviewing the budget, item by item, was of the opinion that the seven regional committees could for the time being be eliminated and, therefore, the $21,000 set up in the budget for this activity was eliminated from the discussion.

"In view of the decision to eliminate the seven regional offices and the establishment of the office in New York instead of Washington the following resolution was offered by Mr. W. H. Gerhauser, seconded by Mr. Roger Williams, and adopted:

"RESOLVED: That there be advanced from the assessments already made $3,000 to defray the expenses of the Industrial Relations Committee, it being understood, however, that a budget covering the expenses of this Committee would be set up for approval by the Code Authority; and

"BE IT FURTHER RESOLVED: That the Industrial Relations Committee be and is hereby authorized to expend such sums as may be necessary for the employment of an Executive Secretary and the defrayment of head office expenses and the traveling expenses of all members of the Committee including the alternate members."

September 12, 1934, the Code Authority (Shipbuilding and Shiprepairing Industry Committee) approved the financial statements for the months of April, May, June, July and August. (Ref. page 1, Minutes, Deputy's files)

At the same meeting the new Budget was approved for the period July 1, 1934, to June 16, 1935, as per the following excerpt: (Ref. Minutes, page 11, Deputy's files)

"Approval of Budget

A budget of expenses for the period July 1, 1934 to June 16, 1935, was presented and Mr. Gerhauser

offered the following resolution:

" RESOLVED: That in connection with the Code Budget for the Shipbuilding and Shiprepairing Industry for the period July 1, 1934 to June 16, 1935, that the assessment be on the basis of total man-hours (both direct and indirect work) worked over a twenty-six week period (October 1, 1933 to March 31, 1934) and that the assessment to be levied shall be for a six months period, July 1, 1934 to December 31, 1934. Rate per man-hour for a six months period not to exceed $.0014 with a minimum billing of $5.00 per plant for a six months period.

"Mr. Gerhauser moved its adoption, seconded by Joseph Hagg, Jr., and carried.

"The budget on motion of Mr. W. H. Gerhauser, seconded by Mr. Joseph Hagg, Jr., was approved and made a part of the minutes.

"Approximately one-half is to be raised, payable immediately and adjustment will be made in second half of fiscal year for any surplus funds received over and above anticipated receipts.

"The Code Authority also approved the period of April 1, 1934 to September 30, 1934 as the period to secure man-hour data for the assessment to be levied on January 1, 1935."

The Budget as approved is shown as Exhibit O-2 Appendix from which the recapitulation is as follows:

(See next page)

R E C A P I T U L A T I O N

(Pages 3-7)

BUDGET OF EXPENSE FOR ADMINISTERING THE SHIPBUILDING & SHIPREPAIRING CODE
FOR PERIOD JULY 1, 1934 TO JUNE 16, 1935 AS PREPARED BY THE CODE AUTHORITY

	Code Authority	District Chairmen (4)	Local Area Chairmen (16)	Ind. Rel. Committee	TOTAL
SALARIES					
Chief Executive Officer	$ 6,000.00				$ 6,000.00
Secretary-Treasurer	1,500.00		$ 1,800.00	$ 1,527.78	4,827.78
Code Authority Members					
Legal Counsel					
Stenographers & Clerical Help	11,000.00	$ 600.00	3,510.00		15,110.00
Total	$18,500.00	$ 600.00	$ 5,310.00	$ 1,527.78	$25,937.78
OFFICE EXPENSE					
Rent	2,400.00	420.00	1,200.00		4,020.00
Water & Light	100.00				100.00
Telephone & Telegrams	1,500.00	440.00	1,091.90		3,031.90
Office Equipment	600.00		50.00		650.00
Postage, Stationery & Supplies	1,200.00	260.00	3,324.70		4,784.70
Printing & Mimeographing	1,000.00		10.00		1,010.00
Miscellaneous Office Expense	500.00	1,000.00	1,133.40	73.85	2,707.25
Total	$ 7,300.00	$2,120.00	$ 6,810.00	$ 73.85	$16,303.85
GENERAL EXPENSE					
Travelling:					
Members Code Authority	3,000.00	2,400.00	780.00		6,180.00
Chairman & Employees	2,000.00	600.00	950.00	702.67	4,252.67
Accountants Fees	500.00		50.00		550.00
Legal Fees	3,000.00				3,000.00
Insurance	300.00				300.00
Contingencies	1,000.00	180.00	50.00		1,230.00
Total	$ 9,800.00	$3,180.00	$ 1,830.00	$ 702.67	$15,512.67
GRAND TOTAL	$35,600.00	$5,900.00	$13,950.00	$ 2,304.30	$57,754.30

9732

The Industry was billed for the first half of the period in accordance with the foregoing on Bill form Exhibit C-3 Appendix in the total amount for the period July 1, 1934 to December 31, 1934, of $40,724.96. (Ref. Exh. C-5, Appx.)

December 20, 1934, the Code Authority approved the financial statements for the months of September, October, and November. (Ref. Minutes, page 1, Deputy's files)

At the same meeting Administrative Order #119 was the subject of consideration as per the excerpt from the Minutes (Ref, Minutes, page 12, Deputy's files) as follows:

"Administrative Order X-119
(Prescribed Rules and Regulations for the Protection of Funds Received By Code Authority)

"The Chairman reported that all conditions required by this order can be met by the code authority and that in the meantime a bond in the amount of $10,000 had been taken out to cover the Treasurer, the bond being placed with the United States Guarantee Company, a copy of which will be mailed to the Assistant Deputy Administrator."

January 17, 1935, the Code Authority approved the financial statement for December 1934. (Ref. Minutes, page 1, Deputy's files)

At the same meeting the audit of the accounts was authorized as per excerpt from Minutes (Ref. Minutes, page 14, Deputy's files) as follows:

"Audit of Accounts
The Chairman reported that under Administrative Order X-119 Prescribing Rules and Regulations for the protection of funds received by Code Authorities it would be necessary that the accounts of the Code Authority be audited. On motion of Mr. S. T. Wakeman, seconded by Mr. W. H. Gerhauser and duly carried, permission was granted to employ a Certified Public Accountant to audit the books of the Code Authority."

The bond was also the subject of consideration as per the following excerpt from the Minutes (Ref. Page 14-15 Minutes, Deputy's files) as follows:

"Bond
The Chairman reported that a bond had been taken out by the Treasurer and photostatic copy had been sent to N.R.A. but that N.R.A. had written the following letter dated January 8, 1934 in connection therewith:

'The photostatic copy of your bond in the amount of $10,000, written by the United States Guarantee Company has been duly submitted with my recommendations and has been accepted as sufficient in amount.

'However, the Code Authority Account Section points out that if any other officers of your Code Authority are empowered to draw upon the funds of the Code Authority, those officers or employees should be bonded.

'/s/ H.Newton Whittelsey
'Assistant Deputy Administrator
'Division 2, Section D, Group 3'

"As checks, in order to be negotiable, must be signed by the Chairman in addition to the signature of the Treasurer, question arose as to necessity of a bond to cover the consigner. Colonel Rose stated that in view of the fact that checks require both the signature of the Treasurer and the Chairman, and since the Treasurer is bonded, in his opinion N.R.A. would not require an additional bond, but that he would take the matter in hand with a view to having a prompt decision rendered by N.R.A."

The photostatic copy of the bond was duly submitted by letter of December 29, 1934, from C. C. Knerr, Secretary of the Code Authority, to H. Newton Whittelsey, Assistant Deputy Administrator. (Ref. Budget, Deputy's files) The bond was written by the United States Guarantee Company, No. 1033039, dated December 11, 1934, in the amount of $10,000 on Clifford Charles Knerr, principal, the Secretary-Treasurer of the Code Authority for the period of one year. (Ref. Exh. O-4, Appx.)

The copy of the bond was duly submitted to J. D. Kershner, Code Authority Accounts Section and Mr. Kershner replied by memorandum dated January 7, 1935, to the same effect as hereinbefore quoted from the Minutes of January 17, 1935. (ref. Deputy's files)

January 25, 1935, the Assistant Deputy addressed Mr. Kershner as follows:

"SUBJECT: Bond of the Treasurer of the Shipbuilding and Ship-repairing Industry Committee

"Reference is made to your memorandum of January 7 and to the first paragraph thereof. Please be advised that funds from the bank account of this Code Authority are withdrawn on two signature checks, that is the signature of the Treasurer and Chairman, respectively. The Treasurer is bonded. This appears sufficient. Do you concur in the matter."

Upon receipt of the memorandum, Mr. Kershner concurred and initialed the blue copy, which is filed in the Deputy's files. Mr. H. Gerrish Smith, Chairman of the Code Authority, was accordingly advised by letter the same date by the Assistant Deputy. (Ref. Budget folder, Deputy's files)

February 21, 1935, the Code Authority approved the January, 1935, financial statement. (Ref. Minutes, page 1, Deputy's files)

At the same meeting the certified public accountant's report was

presented as per the excerpt of the Minutes (Ref. Minutes, page 8, Deputy's files) as follows:

"Auditor's Report

The Chairman presented for record in the minutes of the meeting, the Certified Public Accountant's report of code expenditures from the inception of the code to December 31, 1934. Instructions were directed to forward three copies to N.R.A. in accordance with their request."

By letter March 1, 1935, the Auditor's report was submitted as follows: (Ref. Budget, Deputy's files)

"Mr. H. Newton Whittelsey,
Assist. Deputy Administrator,
National Recovery Administration,
Room 4040, Commerce Building,
Washington, D. C.

"Dear Mr. Whittelsey:

In compliance with Admininstrative Order X-119, dated December 5, 1934, the books of the Code Authority for the Shipbuilding and Shiprepairing Industry were audited as of December 31, 1934 by Alvin M. Powell and Company, and we are pleased to send you herewith three copies of the report of the Auditor.

"Very truly yours,

"/s/ C. C. Knerr
"Secretary-Treasurer"

March 6, 1935, by memorandum to Code Authorities' Accounts Section from the Assistant Deputy, the audit of accounts was submitted in accordance with office memorandum 324 and 325. (Ref. Budget folder, Deputy's files)

March 7, 1935, letter to H. Gerrish Smith, Chairman of Code Authority request was made for assessment forms or notices sent to Industry members, in accordance with office memorandum 323. In reply to the foregoing the Assistant Deputy received the billing forms and the Budget (Ref. Exh. O-1, O-2, O-3, Appx.) forwarded same March 14, 1935, to the Code Authorities Accounts Section.

March 21, 1935, the Code Authority approved the financial statement for February 1935. (Ref. Minutes, page 1, Deputy's files)

April 26, 1935, the financial statement for March, 1935, was approved by the Code Authority. (Ref. Minutes, page 1, Deputy's files)

April 25, 1935, the Budget for period July 1, 1934, to June 16, 1935, for the amount of $57,754.30, (Ref. Exh. O-2, Appx.) was tentatively approved by letter, (Ref. Budget folder, Deputy's files) as

follows:

"Mr. C. C. Kherr, Secretary,
Shipbuilding and Shiprepairing
Code Authority
Room 661, 11 Broadway,
New York, N. Y.

"Dear Sir:

This is to advise that pursuant to authority vested in the National Industrial Recovery Board, by Executive Order No. 6859, and otherwise, the budget of estimated expenses of Code Administration for the current fiscal period ending June 16, 1935, in the total amount of $57,754.30, the original of which is on file with the National Recovery Administration, submitted in compliance with Administrative Order No. X-136, dated February 26, 1935, is hereby tentatively approved.

"This tentative approval, however, is subject to final approval, withdrawal or modification by the National Industrial Recovery Board upon full consideration and review of said budget.

"NATIONAL INDUSTRIAL RECOVERY BOARD

By:_____
Hiram S. Brown
Assistant to the Administrative Officer"

The Auditor's report previously referred to was entitled:

AUDIT OF ACCOUNTS

OF

SHIPBUILDING AND SHIPREPAIRING INDUSTRY

CODE COMMITTEE

JULY 1933 TO DECEMBER 31, 1934

Alvin M. Powell & Company
50 Church Street
New York, N. Y.

The document is a complete audit and report of the financial operation of the Code Authority for the period named. Unfortunately the sheet size is too large to bind in the appendix. It is filed in the Budget folder, Deputy's files. The following are excerpts, which set forth the essential information:

"AFFIDAVIT

"I solemnly swear that the audit of the books and accounts of the

Shipbuilding and Shiprepairing Industry Code Committee, reported on herein, was made by me or by my employees under my direction in conformity as nearly as possible in the circumstances with the "Instructions to Auditors of Books and Accounts of Code Authorities', and that I am qualified to audit the said Code Authority as a 'competent, independent auditor' as defined by the National Recovery Administration in its Administrative Order No. X-119, dated December 5, 1934.

"/s/ Alvin M. Powell"

"SWORN TO BEFORE ME
THIS 9th DAY
OF FEBRUARY, 1935
/s/ Isabelle Rose
Notary Public, New York County No. 153
New York Register's No. 5R73
Commission expires March 30, 1935"

ASSESSMENTS RECEIVABLE

December 31, 1934

Shipbuilding and Shiprepairing Industry Code Committee

TOTAL CHARGES MADE		
Period July 1933 to July 1, 1934	$61,652.00	
Period July 1, to Dec. 31, 1934	40,724.96	
TOTAL ASSESSMENTS MADE TO DEC. 31, 1934:		$102,376.96
LESS CREDITS		
For Adjustments Account of Cancellations Period July 1933 to Dec. 31, 1934	26,085.25	
Account of Collections received Period July 1933 to Dec. 31, 1934	69,978.26	
TOTAL CREDITS:		$ 96,063.51
BALANCE OF ASSESSMENTS RECEIVABLE AT DEC.31, 1934		$ 6,313.45

STATEMENT OF INCOME EXPENSES AND BUDGET COMPARISON
Period - July 1933 to December 31, 1934
Shipbuilding and Shiprepairing Industry Code Committee

		Actual
INCOME		
Assessments applicable to the period due and collected		$69,978.26
Sale of copies of By-Laws for administering code		13.00
TOTAL INCOME:		$69,991.26
EXPENDITURES		
A. Salaries		
Chief Executive's Office	Schedule #1	$ 6,874.99
Clerical Employees	Schedule #2	9,203.60
TOTAL SALARIES:		$16,078.59
B. Office Expenses		
Occupancy (Rent)		$ 2,331.05
Telephone and Telegraph		1,761.14
Postage		846.62
Stationery & Supplies		806.39
Printing & Mimeographing		1,414.44
Reporting Services, etc.		243.09
Miscellaneous Expenses		1,117.47
TOTAL OFFICE EXPENSES:		$ 8,520.20
C. Traveling Expenses		
Employee Traveling	Schedule #3	$ 3,022.25
TOTAL TRAVELING EXPENSES:		$ 3,022.25
D. General Expenses		
Committee Expenses	Schedule #4	$ 2,378.60
F. R. Harris, Consulting Eng. (Survey and report on Present Shipbuilding and Shiprepairing Facilities in the United States)		3,000.00
TOTAL GENERAL EXPENSES:		$ 5,378.60
E. Other Special Outlay		
District Office Expenses	Exhibit "C"	$ 1,500.00
Local Office Expenses	Exhibit "D"	4,858.41
TOTAL OTHER SPECIAL OUTLAY:		$ 6,358.41
TOTAL EXPENDITURES -		$39,358.05
SURPLUS FROM OPERATIONS -		$30,633.21

RECEIPTS OF ASSESSMENTS BY TRADE AREAS
Period - July 1933 To December 31, 1934

Shipbuilding And Shiprepairing Industry Code Committee

ATLANTIC COAST DISTRICT		
New England Local Area	$ 8,239.41	
New York " "	12,666.60	
Delaware River & Bay Local Area	13,787.85	
Chesapeake Bay " "	6,043.50	
Hampton Roads " "	12,125.85	
TOTAL:		$52,863.21
GULF COAST DISTRICT		
Tampa Local Area	85.00	
Pensacola " "	110.55	
Mobile " "	3,245.25	
New Orleans " "	2,277.75	
Texas " "	855.00	
TOTAL:		$ 6,573.55
PACIFIC COAST		
San Diego Local Area	-- (*)	
Los Angeles " "	968.80	
San Francisco " "	3,505.45	
Portland " "	55.00	
Seattle " "	1,648.85	
TOTAL:		$ 6,178.10
GREAT LAKES DISTRICT		
Great Lakes Local Area	3,308.00	
TOTAL:		$ 3,308.00
MISSISSIPPI RIVER DISTRICT		
Mississippi Local Area	1,055.40	
TOTAL:		$ 1,055.40
TOTAL RECEIPTS BY TRADE AREAS:		$69,978.26

(*) No collections received. Total charges of $350.00 made for San Diego Local Area charged off by cancellations as same was reported by Code Authority Secretary and Treasurer as being uncollectible.

- MASTER SHEET -

DISTRIBUTION OF ESTIMATED EXPENSES OF ADMINISTRATION OF CODE OF FAIR COMPETITION AND TRADE PRACTICE FOR THE SHIPBUILDING AND SHIPREPAIRING INDUSTRY UP TO JULY 1, 1934

Local Areas	Expense Of National Organization	Expense Of District Committees	Expense Of Local Area Committees	Total Expenses
New England	$ 2,930.00	$ 1,170.00	$ 750.00	$ 4,850.00
New York	5,210.00	2,077.50	4,293.00	11,580.50
Delaware River and Bay	4,360.00	1,740.00	200.00	6,300.00
Chesapeake Bay	2,050.00	817.50	450.00	3,317.50
Hampton Roads & South Atlantic	4,250.00	1,695.00	600.00	6,545.00
TOTAL ATLANTIC COAST	$18,800.00	$ 7,500.00	$6,293.00	$32,593.00
Tampa & West Coast of South Florida	111.00	29.20	13.02	153.22
Pensacola	259.00	67.90	20.00	347.90
Mobile	1,480.00	388.00	60.00	1,928.00
New Orleans	1,073.00	281.00		1,354.00
Texas	777.00	203.90	125.00	1,105.90
TOTAL GULF COAST:	$ 3,700.00	$ 970.00	$ 218.02	$ 4,838.02
San Diego				
San Pedro and Long Beach				
Los Angeles				
San Francisco				
Portland & Columbia River				
Puget Sound				
TOTAL PACIFIC COAST:	$ 3,700.00			
Great Lakes	$ 2,300.00	(Omit)	(Omit)	$ 2,300.00
GROSS TOTAL:	$28,500.00	$ 8,470.00	$6,511.02	$43,481.02

STATEMENT OF GENERAL INFORMATION

December 31, 1934

Shipbuilding And Shiprepairing Industry Code Committee

Executive Secretary-Treasurer,
Mr. C. C. Knorr, 11 Broadway, New York, N. Y.

Addresses of Regional Offices

Atlantic Coast District
Chairman, Joseph Hoag, Jr. Robins Dry Dock & Repair Co., Brooklyn, New York.

Gulf Coast District
D. R.Dunlap, Alabama S/B & D/D Co., Mobile, Ala.

Pacific Coast District,
C. W. Wiley, Todd Seattle Dry Docks Inc., Seattle, Wash.

Great Lakes District
W. H. Gerhauser, Great Lakes S/B & Repair Association, Cleveland, Ohio

Mississippi River District (No office established.)

Budget Period

1st Period, July 1933 to July 1, 1934 (See Exhibit "J" attached, for amount of budget.)
2nd Period, July 1, 1934 to June 16, 1935. One half of the 2nd period to be raised to cover expenditures six months period July to December 1934 . (See Exhibit "K" attached for amount of budget.)

Rate of Assessment

1st period, based upon rate of $1.20 per employee with $50. and $25. minimum. See Exhibit "F", Receipts of Assessments by Classification wherein is shown a detail of assessment distribution according to rates and areas.

2nd period, $.0014 per man hour with $5. minimum. See Exhibit "F" for detail of assessment distribution, according to rates and areas.

Audit Period

July 1933 to December 31, 1934

Number of Employees at end of period

Administrative -	Chief Executive Officer	1
	Secretary-Treasurer	1
	Clerical (Some part time)	8
	Total Employees	10

Officer Under Bond
C. C. Knerr, Secretary-Treasurer
Amount of Bond - $10,000.00

- - - -

Accounts Receivable of $6,313.45 appearing on Balance Sheet expected to produce approximately one-third (1/3) of total or $2,104.45 per estimate of the Secretary-Treasurer.

Lease now in force expires April 1, 1935 but can be terminated at anytime on 30 days' notice.

Assessments payments voluntary and no budget was submitted to NRA for approval except copy was furnished to NRA for their information.

No prepaid assessments appear in collections. All assessments appearing as collected in audit period cover period from July 1933 to December 31, 1934.

No figures appear in the books at December 31, 1934 for accrued expenses. Auditors have been advised by the Secretary-Treasurer that all bills received at December 31, 1934 have been entered on the books; also that the accrued payroll at December 31, 1934 would only approximate $22.00. Bills received from the New York Local Area which appear in the distribution of expenses only cover period to October 31, 1934. Bill to December 31, 1934 has not been submitted by such local area at date of audit. Such charge together with distribution to be received from the other Local Areas and Regional Offices will appear in distribution of expenditures in the next accounting.

STATEMENT OF GENERAL INFORMATION

December 31, 1934

Shipbuilding and Shiprepairing Industry Code Committee

Cancellations and charge off of assessments totaling $26,085.25 during the period covered by this audit have been authorized by the Secretary-Treasurer, Mr. C. C. Knerr. The following statement signed by the said Mr. Knerr was submitted to the auditors:

"$26,085.25 was either cancelled or adjusted by direction of the Treasurer because of

1. Found firms were under Small Boat Code.
2. Advised by Local Area Chairmen that firms were under other Industrial Codes and not under the Shipbuilding and Shiprepairing Code.
3. Adjustments due to billing being rendered on imcomplete information at time of billing.
4. Due to accounts being uncollectible
5. Firms discontinued business

(Signed) C. C. Knerr
Secretary-Treasurer

Dated: Jan. 31, 1935

- - - -

On page 3 of "Instructions to Auditors" is the request to furnish a statement of Income and Expenses and Budget Comparison showing the income and expenses synchronizing in statement-form with the provisions of the Budget. Explanatory note on Exhibit "B" attached hereto, refers to this Exhibit "M", Statement of General Information to the effect that the auditors are unable to set up proper budget comparison in accordance with the request on page 3 of "Instructions to Auditors". The Committee in preparing its first budget for the period to July 1, 1934 did not show a detailed classification of expenditures, only an estimate of expenses of administering the code segregated as to National Organization, District Committees and Local Area Committees. In the second budget for period - July 1, 1934 to June 16, 1935 detailed information was prepared to show budget expenditures for all departments. For the reason that Exhibit "B", attached hereto, calls for a detailed distribution of all actual expenses paid, it is impossible to show corresponding budget comparison as proper detail distribution is only available for the second budget period. However copies of the two budgets are attached hereto.

2. Termination of Paragraph III of Administration Order X-36.

No request was made by the Code Authority for such termination.

3. Effect of other Administrative Orders

The Code Authority abided by all Administrative Orders that applied to a voluntary contribution basis.

4. Income from Labels

No labels were used.

5. Proportion of Assessments collected

Reference is made to letter September 5, 1935, as follows: (Ref. Exh. O-5, Appx.)

"Mr. H. Newton Whittelsey,
Assistant deputy Administrator, National Recovery Administration
1320 G Street,
Washington, D. C.

Re: History Shipbuilding and Shiprepairing Industry Code - Budgets

"Dear Mr. Whittelsey:

In response to your letter of September 3rd, relative to information concerning billings and budgets:

"(a) The National Council of American Shipbuilders did advance the funds for administering the code up to the time the industry was billed, based upon the authority of the resolution and plan of January 4, 1934.

"(b) 1. Practically all bills for the first budget period was sent out under date of March 20, 1934, with a few additional billings up to and including May 1, 1934.

2. Billings for the second budget period were made on October 1, 1934.

"(c) From a careful reading of the minutes of January 4, 1934 you will note that the plan of that date was adopted by the Code Committee and was not merely an understanding among the members attending the meeting. In reading the plan for prorating the cost of administering the code I direct your attention to the following:

'From January 1, 1934 to July 1, 1934, approximately twenty-five percnet of the cost of operating the National Council will be charged as a proper expense against the administration of the Code.'

"The budget for the year July 1, 1934 to June 16, 1935 provided for the twenty-five percent of salaries and expenses incurred by the National Council.

(Note: For your information, the National Council of American Shipbuilders did not bill the Code Authority for twenty-five percent of its actual expenses, but eliminated all items that referred strictly to National Council business, such as, membership dues in the Chamber of Commerce of the United States; expense of holding annual meetings of Council; traveling expenses incurred other than on code work; cost of law books; capital charges, furniture and fixtures; postage, and other miscellaneous charges of a character which we felt had been incurred directly for the benefit of the National Council.)

	Period	Amount Billed	Amount Collected
"(d) & "(e)	July 1933 to July 1, 1934	$61,652.00	$34,423.00
	July 1, 1934 to December 31, 1934	40,724.96	37,525.41
	Totals:	$102,376.96	$71,948.41

"(f) No bills were rendered for the third budget period covering January 1, 1935 to June 16, 1935.

"With best regards, I am Yours vert truly, /s/ C.C.Knerr Secretary"

It should be noted that the amount collected given as $71,948.41 differs from the Auditor's report of amount collected to December 31, 1934, set forth in the foregoing statement of income expense as $69,991.26. The difference of $1.957.15 was received subsequent to December 31, 1934, out of the $6,313.45 (assessments billed and not realized) set forth in the Balance Sheet hereinbefore.

In considering proportion collected due account must be taken of adjustments set forth in statement of General Information of $26,085.25.

Therefore, after adjustments, the accounts stand as follows:

Total amount billed		$102,376.96
Less adjustments		26,085.25
Adjusted amount billed		76,291.71
Total amount received		71,948.41
Proportion collected after adjustments related to the amounts billed	94%	

The proportion with relation to the Budgets and after adjustments is as follows:

Budget July 1933 to July 1, 1934		$43,481.00
" July 1, 1934 to June 16, 1935,		57,754.30
		$101.235.30
Less adjustments		26,085.25
		$75,150.05
Total amount received		$71.948.41
Proportion collected after adjustments with relation to the Budgets	95%	

a. Discussion of Difficulties Involved

The Industry financed itself on a voluntary basis with marked success as shown by the surplus account of $30,635.21 and receivable of $6,313.45 and payable of only $2,194.00 as of December 31, 1934 as hereinbefore set forth.

The adjustments were made necessary by a change in "Definitions" whereby smaller vessels were put under the Code for the Boatbuilding and Boatrepairing Industry.

6. Financial Operations of Code Authority in Relation to its other Operations

The foregoing shows, that the Code Authority adequately provided for the entire field organization as well as proper offices for itself with ample help, and managed by an efficient Chairman and the Secretary-Treasurer. All appear to have been sufficiently compensated.

7. Closing of the Financial Operations of the Code Authority

August 20, 1935, at a meeting of the Industry Members of the Code Authority, preparation was made for closing the financial operations of the Code Authority. (Ref. Minutes Deputy's files) Excerpts of the Minutes are as follows:

"Liquidation of Code Funds

"The Chairman recorded that after all disbursements (for all areas) had been made, a balance of $13,382.27 remained unexpended.

"There was also discussion as to the disposition of the files and records of the Code Authority and District and Local Areas, and it was the opinion that these records should be placed under the jurisdiction of the National Council of American Shipbuilders.

"The balance of $13,382.27 as mathematically calculated would be equivalent to a refund of $0.185997 on the dollar and the following letter, to be addressed to those members of the industry who contributed to the expense of administering the code, was agreed upon as covering the dispostion of both moneys and records.

" '(Name of Individual Firm to be Inserted)

Gentlemen:

"The Industry Members for the Shipbuilding and Shiprepairing Industry that were represented on the Code Authority for the Code of Fair Competition and Trade Practice have held no meetings since April 26, 1935 until August 20, 1935, on which date a meeting was held to consider and recommend action as to the disposition of the files and records, and the liquidation of moneys obtained from code assessments and now on hand.

"There is attached hereto a definite statement of receipts and expenditures for the period July 26, 1933 to June 16, 1935. The receipts from assessments and from the liquidation of furniture and fixtures totaled $72,071.41 and the total expenditures were $58,689.14, leaving a balance for distribution of $13,382.27 or $0.185997 for every dollar received. Your proportion would be $_____.

"It is believed that all of those who contributed to the Administration of the Code will be satisfied upon an inspection of the financial statements that strict economy was exercised in the administration of the funds by the Code Authority, the District

and the Local Area Committees--an economy that could only have been obtained by making use of existing organizations within the industry.

"It is suggested that the industry assent to the disposition of the files and records and the distribution of unexpended funds as follows:

1. That the National Council of American Shipbuilders be assigned to take care of such files and records as it is important to preserve.

2. That the unexpended balance of individual or corporate voluntary contributions to the administration of the Code (that is $0.185997 for every dollar received) be assigned to the National Council of American Shipbuilders to be expended in trade association activities for the shipbuilding and shiprepairing industry as the National Council of American Shipbuilders may deem just and proper.

3. That if the individual or corporate contributor is not satisfied to distribute the balance on hand as suggested above that a check be made out and mailed to him or it in an amount which shall equal the balance of his contribution remaining in the fund.

"Please note the attached two form letters - Form No. 1 assenting to items Nos. 1 and 2 above, and Form No. 2 assenting to items Nos. 1 and 3 above, which are sent to you for your convenience in responding to the above recommendations. It will be appreciated if you will fill out promptly the one to which you agree and return it to this office.

"In order to facilitate a prompt closing out of the work of the Code Authority it will be assumed that if a reply to our letter is not received on or before September 15, 1935 that you assent on your part to the Form Letter No. 1 sent to you.

"There is enclosed for your convenience a self-addressed, stamped envelope for your reply.

Very truly yours,

C. C. Knerr,
Secretary."

SHIPBUILDING AND SHIPREPAIRING INDUSTRY CODE COMMITTEE

11 BROADWAY
NEW YORK

STATEMENT OF INCOME* AND EXPENDITURES* (JULY 1933 TO JUNE 16, 1935) AND AMOUNT OF CASH ON HAND, AUGUST 20, 1935

INCOME:

Assessments (July 1933 to June 16, 1935 - Exhibit "A")	$71,948.41
Sale of By-Laws	13.00
Proceeds from Sale of Furniture & Fixtures	110.00
TOTAL INCOME:	$72,071.41

EXPENDITURES:

Salaries		$31,767.52
Office Expense		
Rent	$4,477.80	
Stationery & Supplies	2,197.96	
Printing & Mimeographing	1,882.98	
Telephone & Telegraph	3,548.05	
Miscellaneous Expense	263.60	
Postage	2,139.53	
Reporting Service	306.22	
Luncheons	376.29	15,192.43
Traveling Expense		4,591.33
General Expense		
Industrial Relations Committee	$2,378.60	
F. R. Harris - Consulting Engineer (Survey of Shipbuilding & Ship-repairing Industry in connection with preparation of Code)	3,000.00	
Audit of Accounts Certified Public Accountant	300.00	
Contribution to Durable Goods Industries Committee	800.00	
Prentice-Hall Service	60.00	
Bond for Treasurer	25.00	6,563.60
Furniture & Fixtures Purchased		574.26
TOTAL EXPENDITURES:		58,689.14
SURPLUS CASH IN BANK:		$13,382.27

(*) - Covers all National, District & Local Committees

STATEMENT OF INCOME BY LOCAL AREAS AND EXPENDITURES OF ALL COMMITTEES

(Exhibit "A", referred to in the foregoing report of Income and Expenditures)

	No. of Firms	Income from Assessments	Expended by Committee
Shipbuilding & Shiprepairing Code Authority			$43,114.77
Atlantic Coast District			
District Committee			$1,624.52
New England Local Area	13	$8,910.06	326.73
New York Local Area	97	13,168.65	6,958.63
Delaware River Local Area	14	13,797.40	99.89
Chesapeake Bay Local Area	14	6,090.40	438.51
Hampton Roads Local Area	31	12,262.35	569.33
Total	159	$54,225.86	$9,997.61
Gulf Coast District			
District Committee			$417.46
Tampa Local Area	4	$90.00	$15.00
Pensacola Local Area	4	110.55	30.00
Mobile Local Area	11	3,299.70	70.04
New Orleans Local Area	12	2,282.75	391.24
Texas Local Area	6	855.00	106.81
Total:	37	$6,638.00	$920.55
Pacific Coast District			
Los Angeles Local Area	8	$968.80	None
San Francisco (District & Local Area)	20	3,627.60	$2,803.32
Portland Local Area	3	60.00	None
Seattle (District & Local Area)	20	1,749.65	335.25
Total:	51	$6,406.05	$3,138.57
Great Lakes District			
District & Local Area	45	$3,033.10	$1,493.14
Mississippi River District			
District & Local Area	7	$1,055.40	$ 24.50
GRAND TOTAL:	299	$71,948.41	$58,689.14

In accordance with the action of the Industry Members of the Code Authority August 20, 1935, the financial affairs were closed as per the following letter: (Ref. Deputy's Files)

"September 23, 1935

"Mr. H. Newton Whittelsey
Assistant Deputy Director
National Recovery Administration
Conecticut Avenue & "L" Street
Washington, D. C.

"Dear Mr. Whittelsey:

"I have your letter of September 19 and just as same was received I was on the verge of sending the information to you as agreed upon when in your office last Tuesday.

"I am pleased to enclose herewith 9 copies of a letter sent to all members who had contributed to the support of the Code Authority from its inception. The letter is in accordance with the action taken by the Industry Members at its meeting on August 20. I automatically extended the time in which to receive letters back from September 15, 1935 to September 23, 1935 and I am pleased to inform you that the accounts are now balanced and that all funds have been distributed.

"If there is any additional information needed in connection with an interpretation of these letters, please do not hesitate to call upon me.

"Very truly yours,

"/s/ C. C. Knerr
Secretary"

D. Administration of the Code

1. Amendments

Amendment No. 1 was approved by the President October 10, 1933, (Reference: Code Record Section and Amendment No. 1, Exhibit A, Appendix, also Deputy's Files.)

The Code as approved July 26, 1933, provided in Section 8 (a) as follows:

> "To effectuate further the policies of the Act, a Shipbuilding and Shiprepairing Industry Committee is hereby designated to cooperate with the administrator as a planning and fair practice agency for the shipbuilding and shiprepairing industry. This committee shall consist of five representatives of the shipbuilders and ship repairers elected by a fair method of selection, to be approved by the Administrator and three members without vote appointed by the President of the United States. Such agency may from time to time present to the administrator recommendations based on conditions in their industry as they may develop from time to time which will tend to effectuate the operation of the provisions of this code and the policy of the National Industrial Recovery Act."

Amendment No. 1 provided that Section 8 (a) be amended to read as follows:

> "To effectuate further the policies of the Act, a Ship Building and Ship Repairing Industry Committee is hereby designated to cooperate with the Administrator as a Planning and Fair Practice agency for the ship building and ship repairing industry. This Committee shall consist of representatives of the Ship Builders and Ship Repairers in such number not less than six as the Administrator in his discretion may from time to time determine, elected by a fair method of selection to be approved by the Administrator, and four members without vote appointed by the President of the United States. Such agency may from time to time present to the Administrator recommendations based on conditions in their industry as they may develop from time to time which will tend to effectuate the operation of the provisions of this Code and the policy of the National Industrial Recovery Act."

William H. Davis, Deputy Administrator, by memorandum of September 18, 1933 (Reference: Volumes I, II, Code Record Section and Deputy's Files) pointed out that

"The Shipbuilders and Shiprepairers state that since both of them must be represented on this committee, and as the geographical distribution is so great, they feel that a committee of six instead of five is necessary. With a possible increase later on to take care of representation for the Mississippi River and its Tributaries.

"The Secretary of the Navy has suggested that since the operation of the Shipbuilding and Shiprepairing Code will have an important bearing on the Naval Shipbuilding Program, it is desirable that the Navy Department be represented on the Committee, thereby necessitating an additional Presidential appointee to represent him on this Committee.

"I recommend that you approve such amendment."

The letter to the President from Hugh S. Johnson, Administrator, of August 30, 1933, (Reference: Volume II, Code Record Section, Deputy's Files, and Amendment No. 1, Exhibit "A", Appendix) contained the following:

"Under the Code of Fair Competition of the Ship Building and Ship Repairing Industry, as approved by you on July 26, 1933, the Industry has asked for an Industry Committee having six representatives of the Ship Builders and Ship Repairers instead of five as provided for by the Code. The Secretary of the Navy has asked for representation on the Industry Committee."

There were no hearings or notice of opportunities to be heard. The Consumers Advisory Board and Labor Advisory Board approved, and the Legal Division approved as to form.

Amendment No. 2 was approved by Hugh S. Johnson, Administrator, March 29, 1934, (Reference: Code Record Section, Amendment Folder, Deputy's Files and Amendment No. 2, Exhibit "A", Appendix). This amendment pertained to Definitions.

The Code as approved July 26, 1933, read as follows:

"1--DEFINITIONS OF TERMS

"The terms 'shipbuilder' and 'shiprepairer', when used in this code, includes a person, partnership, or corporation engaged in the business of building, fabricating, repairing, reconstructing, remodeling, and assembling oceangoing, harbor and inland water-way vessels, and floating marine equipment of every type above ten tons, including the building within their plants of machinery, equipment, and other ship's parts."

Amendment No. 2 provided as follows:

"1. DEFINITION OF TERMS

"A. The Term 'Shipbuilding and Shiprepairing Industry' means:

"1. The building, fabricating, repairing, reconstructing, remodeling and assembling of all vessels and floating marine equipment except:

"(a) Wooden boats and vessels and wooden floating marine equipment.

"(b) Pleasure boats and yachts, both wooden and/or metal up to and including one hundred and fifty (150) feet in length over all.

"2. The building within shipbuilding and shiprepairing plants of machinery, equipment and other ship's parts.

"B. The term 'Member of the Industry' means any person, partnership, corporation, association, trust, trustee, or receiver engaged in the Shipbuilding and Shiprepairing Industry, either as an employer or on his or its own behalf."

The report to the President of March 29, 1934 from Hugh S. Johnson, Administrator, (Reference: Volume II, Code Record Section, and Deputy's Files and Amendment No. 2, Exhibit "A", Appendix) contained the following:

"Since the effective date of the Shipbuilding and Shiprepairing Code, August 5, 1933, it has developed that the definition was too inclusive and covered too wide a scope of operations inasmuch as it brought within the scope of the Shipbuilding and Shiprepairing Code practically the entire operations of the smaller Boatbuilding and Boatrepairing Industry, whose activities and conditions are of sufficiently different character to warrant a separate code. The specific amendment proposed by the Shipbuilding and Shiprepairing Industry and as amended at the hearing is as follows:

'The terms "shipbuilder" and "shiprepairer", when used in this Code, include a person, partnership, or corporation engaged in the business of building, fabricating, repairing, reconstructing, remodeling, and assembling oceangoing, harbor and inland water-way vessels, and floating marine equipment of every type, except

"A. Steel pleasure craft and steel yachts of 125' or under in length overall.

"B. Wooden fishing schooners 50' or under in length overall, wooden trawlers 50' or under in length overall, and wooden harbor tugs 50' or under in length overall.

"C. All other wooden commercial vessels 75' or under in length.

'The terms "shipbuilder" and "ship-repairer" also include the building within their plants of machinery, equipment and other ship's parts.'

"The facts brought to light in this hearing revealed that a further modification of the amendment was necessary. The following definition for the Shipbuilding and Shiprepairing Industry has resulted from the reconvening of the hearing in the Deputy's office on March 21, 1934:

'A. The term "Shipbuilding and Shiprepairing Industry" means:

"1. The building, fabricating, repairing, reconstructing, remodeling and assembling of all vessels and floating marine equipment except:

'(a) Wooden boats and vessels and wooden floating marine equipment.

'(b) Pleasure boats and yachts, both wooden and/or metal up to and including one hundred and fifty (150) feet in length overall.'

"2. The building within shipbuilding and shiprepairing plants of machinery, equipment and other ship's parts."

'B. The term "Member of the Industry means any person, partnership, corporation, association, trust, trustee or receiver engaged in the Shipbuilding and Shiprepairing Industry, either as an employer or on his or its own behalf.' "

The Public Hearing (Reference: Code Record Section and Deputy's Files) was conducted on March 20, 1934, at Washington in the Pan American Room, Mayflower Hotel, Deputy Administrator, J. B. Weaver, presiding, Assistant Deputy Administrator G. H. Shields III and F. C. Waldron, Aide, present. There were present also:

Of the Industrial Advisory Board:
E. L. Fries.
Of the Labor Advisory Board:
Herman Brunck; J. S. McDonough.
Of the Consumers' Advisory Board:
W. H. Edmonds.
Of the Planning and Research Division:
W. Cross.
Of the Legal Division:
Julian Johnson.

Witnesses heard were:

Mr. James A. Pennypacker,
National Council of American Shipbuilders.
Mr. H. F. Morse.
Mr. Henry B. Nevins,
Representing the National Association of Yacht Yards.
Mr. A. E. Luders,
Representing the National Association of Engine and Boat Manufacturers.

Mr. James A. Pennypacker, representing the National Council of American Shipbuilders (the proponents of the Shipbuilding and Shiprepairing Code) read a statement (Reference: Page 3, transcript of Hearing, Code Record Section and Deputy's Files) setting forth the shipbuilders' viewpoint of the change in definitions as proposed by the shipbuilders as recounted hereinbefore in the excerpt from the report to the President. This statement was signed by H. Gerrish Smith, President of the National Council of American Shipbuilders, dated March 19, 1934, and addressed to J. B. Weaver, Deputy Administrator. There was included in the statement the return from questionnaires that were sent to shipyards and boatyards. Replies were received from 22 shipyards and 25 boatyards.

Mr. H. F. Morse, President of the National Association of Boatbuilders and Repairers (the proponents of the Code for the Boatbuilding and Boatrepairing Industry) read a statement (Reference: beginning page 16 of the transcript of the hearing, Code Record Section and Deputy's Files) in which the following points were made; that of 336 motor vessels built, 213 were built in boat yards and 90 built in shipyards, the balance being built by the Government. These vessels being between 100 and 150 feet long; that below 100 feet in length there were 932 vessels built, of which almost 100% were built in boatyards.

That the shipbuilders' statement was based on returns from only 22 shipyards and 25 boatyards, whereas in the United States there

were approximately 3000 boatyards and approximately 66 shipyards, members of the National Council of Shipbuilders. He requested that all wooden boatbuilding and repair work of any size, both commercial and yacht work, should be placed within the definition of the Boatbuilding Code and excepted in the definition of the Shipbuilding Code. (Author's note: - There were 232 shipyards assented to or signed letters of compliance to the Shipbuilding Code.)

Mr. Henry B. Nevins, representing the National Association of Yacht Yards, testified as to the substantial difference between ships and yachts and between shipbuilding and yacht building. He submitted considerable data to prove that yachts up to 150 feet were for the most part built and repaired in boatbuilding yards and made a plea for the definition that had been made a part of the proposed Code for the Boatbuilding and Boatrepairing Industry to be set forth in the definition of the Shipbuilding Industry as excepted. (Reference: beginning page 25, transcript of Hearing, Code Record Section and Deputy's Files)

Mr. A. E. Luders, representing the National Association of Engine and Boat Manufacturers, stated that the opinion of the Association he represented was that the demarcation (between the Shipbuilding and the proposed Boatbuilding Code) as proposed by the Boatbuilders and Repairers was a fair, equitable and proper definition. (Reference: beginning page 36, Transcript of Hearing, Code Record Section and Deputy's Files)

The reconvened hearing in the Deputy's office on March 21, 1934, cited in the report to the President hereinbefore set forth, the parties of interest arrived at the agreement on the definitions that were approved for this amendment (no transcript or other record can be located of these proceedings in the Code Record Section, Central Files, or the Deputy's Files)

Amendment No. 3 was approved by Hugh S. Johnson, Administrator, April 2, 1934 (Reference: Volumes I, II, Code Record Section, Deputy's Files, and Amendment No. 3, Exhibit "A", Appendix). It was recommended for approval by K. M. Simpson, Division Administrator.

The Code as approved July 26, 1933, provided as follows:

"3--Regulations of Hours of Work

"(a) Merchant Shipbuilding and Shiprepairing--
No employee on an hour rate may work in excess of an average of thirty-six (36) hours per week, based upon a six (6) months' period; nor more than forty (40) hours during any one week. If any employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours.

"(b) Shipbuilding for the United States Government. --No employee on an hourly rate may work in excess of thirty-two (32) hours per week. If any employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours."

"4--Minimum Wage Rates

".....

"(b) The amount of differences existing prior to July 1, 1933, between the wage rates paid various classes of employees receiving more than the established minimum wage shall not be decreased. In no event shall any employer pay an employee a wage rate which will yield a less wage for a work week of thirty-six (36) hours than such employee was receiving for the same class of work for a forty (40) hour week prior to July 1, 1933. It is understood that there shall be no difference between hourly wage rates on commercial work and on naval work, for the same class of labor, in the same establishment."

Amendment No. 3 provided as follows:

Part 3, Paragraph (a) is modified to read:
"Shipbuilding.--No employee on an hourly rate shall be permitted to work more than thirty-six (36) hours per week. If an employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours."

Part 3, Paragraph (b) is deleted and a new Paragraph (b) is added, as follows:
"Shiprepairing.--No employee on an hourly rate shall be permitted to work more than thirty-six (36) hours per week averaged over a period of six (6) months, nor more than forty (40) hours during any one week. If an employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours."

Part 4, Paragraph (b), is modified to read as follows:
"The amount of differences existing prior to July 1, 1933, between the wage rates paid various classes of employees receiving more than the established minimum wage shall not be decreased. In no event shall any employer pay an employee a wage rate which will yield a less wage for a work week of thirty-six (36) hours than such employee was receiving for the same class of work for a forty (40) hour week prior to July 1, 1933."

Provided, however, that the hourly wage rates now prevailing in private yards shall not be reduced because of the increase in hours, except rates resulting from the application of Public Works Administration Bulletin No. 51

The report to the President from Hugh S. Johnson, Administrator, of April 2, 1934, contained the following:

"Sir: This is a report on the amendment to the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry and on the recommendations made thereon by the National Labor Board to the National Emergency Council on March 22, 1934.

"The amendment follows the recommendations of the National Labor Board which was transmitted by it to the National Emergency Council on March 22, 1934, and approved by you on March 27, 1934."

The report on the Amendment, March 30, 1934, to Hugh S. Johnson, Administrator, from J. B. Weaver, Deputy Administrator (Reference: Volume II, Code Record Section and Deputy's Files) contained the following:

"This is a report on the amendment to the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry and on the recommendations made thereon by the National Labor Board to the National Emergency Council on March 22,1934.

"The following exhibits are included or attached:

Legal Division's approval
Original letter of transmittal from Industry
Notice of opportunity to file objections
Code to which amendment is being made
Transcript of the hearing held before the National Labor Board

"The other exhibits ordinarily included are not present in this case due to the fact that no hearing has been held before the National Recovery Administration on this amendment.

"The amendment concerns the revision of the hour clauses now obtaining in the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, and follows paragraph three of the recommendations made by the National Labor Board to the National Emergency Council on March 22, 1934, and approved by the President on March 27, 1934."

The recommendation (Reference: Volume II, Code Record Section and Deputy's Files) of the National Labor Board was as follows:

"RECOMMENDATIONS TO THE EXECUTIVE COUNCIL BY THE NATIONAL LABOR BOARD ON EMPLOYER RELATIONS IN THE SHIPBUILDING AND SHIPREPAIRING INDUSTRY

"Pursuant to the request of President Franklin D. Roosevelt that the National Labor Board study the relationship between the Navy Yards and private shipbuilding concerns in regard to wages, hours of employment and similar matters, the Board makes the recommendations embodied in this report.

"On September 22, 1933, a Sub-committee was appointed by the Chairman of this Board as a fact-finding body to determine the exact prevailing conditions with regard to this question. This Sub-committee reported back to the Board on November 1, 1933, embodying in its report (copy attached) substantially all the necessary facts regarding the prevailing situation.

"Following receipt of this report a conference was held under the auspices of the Board and presided over by the Chairman of the fact-finding Sub-committee, on November 13, 1933. At this conference all interested parties were represented.

"On December 5, 1933, a public hearing was held before the National Labor Board following its acceptance of the facts established by the Sub-committee report. In addition to the evidence supplied by this report, witnesses were heard from all parties in interest who requested to be heard.

"FINDINGS

"The Board finds, on the basis of all evidence submitted for their consideration, that a work week of thirty (30) hours and the Public Works Administration scale of wages is not practicable and feasible in the Shipbuilding and Shiprepairing Industry.

"The Board recommends in the light of this finding:

"1. That a thirty-six (36) hour week be established in the Industry for all shipbuilding.

"2. That for all shiprepairing an average of thirty-six (36) hours per week over a six months' period be established, and that the maximum hours in any one week be established at forty (40) hours.

"3. That the desirability of uniform hours in the shipyards and in the Navy Yards be recognized, and in the event that such equalization is not brought about within a period of six months from the date hereof, the Administrator of the Industrial Recovery Act shall review the question of weekly hours in the shipyards.

"4. That the hourly wage rates now prevailing in private yards shall not be reduced because of the increase in hours, (except rates resulting from the application of P. W. A. Bulletin No. 51).

"5. That a Board upon which employees and employers are equally represented be established to study wage problems which arise from the establishments of the thirty-six (36) hour week provided for in Sections 1 and 2 hereof, and that it shall be a function of this Board to equalize by negotiation any unfair competitive inequalities in wage rates that may exist as a result of the past application in the Industry of the wage and hour provisions of the Code plus the present application of the hours and wage rates provided for in Sections 1, 2, and 4 hereof.

"If or when there is set up in the Industry an Industrial Relations Board approved by the National Recovery Administration the foregoing duty and functions shall devolve upon that Board."

The reference to the Public Works Administration work week of thirty (30) hours and scale of wages was brought about, because a considerable portion of the Naval building program was to be paid for out of P. W. A. funds. P. W. A. issued the wage and hour provisions referred to in the report of the National Labor Board.

The letter from the President was as follows:

THE WHITE HOUSE
WASHINGTON.

March 27, 1934.

"Honorable Harold L. Ickes, Administrator
"Federal Emergency Administration of Public Works
"Washington, D. C.

"My dear Mr. Secretary:

"I have today approved the recommendation presented to me by the National Labor Board, pursuant to my request that they study the relationship between the Navy Yards and private shipbuilding concerns in regard to wages, hours of employment, and similar matters.

"Administrator Hugh S. Johnson has been directed by me to effect the amendment of the Shipbuilding and Shiprepairing Code in accordance with the findings and recommendations of the National Labor Board.

"When these amendments are made and become effective, you are directed to adjust the Public Works Administration scale of wages, hours of employment, and similar matters now prevailing for shipbuilding and shiprepairing, to correspond with the Shipbuilding and Shiprepairing Code as amended.

"Very sincerely yours,

"/s/ FRANKLIN D. ROOSEVELT
"President."

The Notice of Opportunity to file Objections was duly issued April 4, 1934 (Reference: Exhibit "A-1", Appendix).

Legal Division approved. (Reference: Volume II, Code Record Section)

"If this situation requires immediate change, the Legal Division passes the procedure and documents involved. There is a danger that we are too far on the negative side of Constitutional requirements as to due process, but we may be sustained, having provided a rule to show cause.

"/s/ Angus Roy Shannon, Jr.

"Angus Roy Shannon, Jr.
"Assistant Counsel."

a. Effect on the industry

Amendment No. 1, which pertained to increasing the Shipbuilding and Shiprepairing Industry Committee from an Industry membership of five to six and from the representatives appointed by the President of three to four, had the effect of enabling added representation by the shiprepairers and the effect of enabling the Secretary of the Navy to have a representative on this Code Authority.

Amendment No. 2, which pertained to the definitions, had the effect of releasing from the proposed Boatbuilding and Boatrepairing Code a class of relatively small vessels, that were not for the most part built by the shipyards, and that were in fact built by boatyards. This change

in definitions had little effect on shipbuilding production and was beneficial as it released a number of boatbuilding concerns whose practice was considerably different than a truly shipbuilding and ship-repairing plan.

Amendment No. 3, had the following effect:

(a) Whereas the maximum weekly hours for shipbuilding for the United States Government had been 32 hours per week it was changed to 36. This made for better operation in those yards which were building vessels for the United States Government and also commercial work, which had been granted 36 hours under the Code as approved.

(b) The amendment as written for shipbuilding withdrew from Commercial shipbuilding, the flexability originally incorporated in Section 3 (a) of the Code, quote, "no employee on an hourly rate may work in excess of an average of 36 hours per week, based upon a six months' period, nor more than 40 hours during any one week."

(c) By the direction of the President in the letter hereinbefore set forth, the Public Works Administration modified Bulletin 51 by the addition of Section 55 to the Bulletin. This section provides that "on all ship-building and ship-repairing projects for which invitations for bids for contracts are issued after July 1, 1934, the scale of wages and hours of employment shall be determined by the Code of Fair Competition for Ship Building and Ship Repairing Industries. Therefore, on such contracts, articles 11 (b) and 18 of Form No. P. W. A. 51 shall not be in effect."

(d) The amendment to Part 4 (b), which eliminated the provision, that there be no difference in hourly rates on commercial work and Naval work had little effect, as it is the practice with the private shipbuilding yards to pay the same for the same class of work on either Commercial or Naval shipbuilding.

b. Critical discussion of value of amendments, including unapproved amendments

Amendment No. 1. There is no criticism of this amendment.

Amendment No. 2. It is noted that in the hearing on this amendment, steel commercial vessels of the smaller sizes were not given consideration, whereas many boatbuilding and boatrepairing plants have facilities for and do build and repair such vessels.

The Code Authority for the Boatbuilding and Boatrepairing Industry soon learned that the smaller steel commercial vessels should have been included in their definition and excepted from the definition of the shipbuilders. An amendment was submitted to the Administration by the

National Code Authority for the Boatbuilding and Boatrepairing Industry together with other amendments not concerned with definitions (Reference: Amendment Folder, Boatbuilding and Boatrepairing Industry, Deputy's Files). This amendment was submitted when such matters were being held pending their incorporation in a revised Code to conform with the expected new NRA Law. Further the shipbuilders had been working on an amended Code for a considerable time which, also had been held pending the enactment of the expected Law. This matter of definitions was, therefore, to be adjusted between the two industries in the proposed revised Codes.

Amendment No. 3. While the provisions of this amendment, whereby the maximum hourly week on shipbuilding for the United States Government was changed from 32 to 36 hours, had the effect of simplifying the operations of the yards and giving the men larger pay envelopes, it fell short of adequate reasonable hours for this Industry. Under the 36 hour provision the average hours worked by the men was only 30.5, whereas the average hours worked in all Industries was 35.2 (Reference: Monthly Labor Review, Volume 40, No. 3, March 1935, pages 756 and 757).

Moreover the Navy yards which operated under a 40 hour per week basis had the effect of drawing skilled men from the private shipbuilding plants. The result of these restricted hours was reflected in the applications for many exemptions from the maximum hour provisions of the Code.

Unapproved Amendments

(1) Emergency Work. - It was not provided for in the Code. On October 30, 1933 the Code Authority took action as per the excerpt from Minutes as follows:

"The Chairman again brought to the attention of the Code Committee a request from the McDonagh Iron Works, Galveston, for an exemption for working men over forty hours. They stated they had endeavored to obtain additional workmen but failed, and hence worked the men in excess of Code requirements. Mr. Gerhauser cited a similar instance by Chicago Shipbuilding Company.

"After thorough discussion as to the possibility of yards abusing this privilege, it was agreed that a form should be drawn up embodying thereon general regulations to cover emergency work, this form requiring certification from the managers of the plant, and emphasizing the absolute necessity of reporting on work done under emergency conditions - pointing out that failure to report is a violation of the Code and subjecting the violator to a penalty of $500.00.

"The form is to be drawn up and submitted to the Code Committee for approval."

November 16, 1933. In accordance with the foregoing the Code Authority issued Interpretation No. 2 (Reference: Exhibit 1-2, Appendix) as follows:

INTERPRETATION NO. 2
Shipbuilders and Shiprepairers Code,
Paragraph 3 (a) (1)
Paragraph 3 (b) (1)

TO: CODE COMMITTEE
SHIPBUILDERS ADMINISTRATIVE COMMITTEE
SHIPREPAIRERS NATIONAL COMMITTEE

ALL LOCAL AREA CHAIRMEN (Please see that a copy of this Ruling is distributed to each member of the Industry in your Area.)

Gentlemen:

There have come before the Code Committee numerous requests for approval of Emergency Work in excess of the maximum number of working hours per week prescribed in the Code of Fair Competition and Trade Practice for the Shipbuilding and Shiprepairing Industry in the United States.

The Code Committee has not granted any general approval of Emergency Work, and will not do so. For the time being, the Code Committee will consider special cases of Emergency Work, and will approve them where the facts justify such action. It must be realized, however, that

unless the requests for approval of Emergency Work are strictly limited to actual emergencies the purpose of the plan which the Code Committee is now adopting will be defeated, and it will become impossible to introduce any flexibility into the application of these provisions of the Code.

Every member of the Industry must confine the Emergency Work strictly to the minimum limits, and is required, in the event of Emergency Work to submit a statement within the week the work is performed on the attached form. This statement is to show the number of hours worked per man in excess of the weekly limit, the necessity therefor, and other information requested on the form, over the signature of an executive officer of your plant. This statement must also be duly notarized.

Please be guided accordingly.

Very truly yours,

H. G. Smith, Chairman.

A sample of the statement form, just referred to, made by the Bethlehem Shipbuilding Corporation is shown in Exhibit I-3A, Appendix.

Request for amendment to the Code should have been immediately made after the meeting of October 30, 1933, in the opinion of the Author. Although the Deputy Administrator, J. H. Davis, and Geo. H. Shields III, Assistant Deputy Administrator, were present according to the minutes, there appears to be no record of either making such a suggestion. Apparently the Code Authority understood such action within its powers although the Code, Section 8 (d), provided as follows:

"(d).....It is contemplated that from time to time supplementary provisions of this code or additional codes will be submitted for the approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions thereof."

January 4, 1934. The Code Authority received a report as follows (Reference: Minutes, page 8, Deputy's Files).

"Emergency Work

"The Chairman reported we had received from firms located in various sections of the country numerous reports on emergency work requiring hours of labor per week in excess of those provided by the Code and that the necessity for such overtime had been certified to before a Notary Public by an official of each company in question. After discussion Mr. Roger Williams moved and Mr. Robert Haig seconded that:

"The reports listed on the statement dated January 4, 1934 covering emergency work be laid on the table for future consideration."

March 2, 1933. The Code Authority passed a resolution providing for the re-writing of the Code (Reference: page 3, Minutes, Deputy's Files)

April 24, 1934. The Code Authority again acted on "Emergency Work" (Reference: Minutes, page 16 and 17, Deputy's Files).

"The members of the Code Authority were of the opinion that the matter should be restated to the Industry and thereupon Mr. Robert Haig, offered the following resolution.

'RESOLVED: That the Code Authority hereby authorizes its Chairman to bring to the attention of the Industry and cases which appear to be excessive hours of work and that the Industry must in the future confine its emergency work to actual emergencies in the industry itself.'

"The motion was carried."

During this period and for some months thereafter a sub-committee of the Code Authority were re-writing the Code preparatory to submission, which was to provide suitable clauses to cover this "Emergency Work."

June 13, 1934. The Code Authority made application for the amendment by letter to J. B. Weaver, Deputy Administrator, from H. Gerrish Smith, Chairman of the Code Authority, (Reference: Deputy's Files) of which the following is excerpted:

"A modification of the present Code provisions to allow greater leeway per week on emergency work is necessary. As explained to General Johnson at our meeting with him on May 7th, we are continually receiving reports from ship-repair yards of the necessity for exceeding the forty hour limitation in order to accomplish emergency work.

"As you will appreciate, ships that are on regular sailing schedules must be repaired on time or else they are delayed in sailing.

"As previously explained to you because of the limitation in weekly hours employees in shiprepairing are not averaging thirty hours a week throughout the industry.

"Under the circumstances, a modification of the weekly provision relating to shiprepairing is very

essential, and it is recommended that as applying to both shipbuilding and ship-repairing the following definition be accepted for an emergency:

'The term "emergency" means that situation whereby a danger, or menace to the safety of a vessel, life or property exists; or, where a delay would work an undue hardship on an owner or contractor.'

"Now follow with the two definitions of hours for the Shipbuilding and Shiprepairing which have not been changed and add a third paragraph so that the three paragraphs will read as follows: .....

"The above limitation of hours in any one week shall not apply to emergency work."

The amendment was withdrawn as per letter June 28, 1934 to H. G. Smith, Chairman of the Code Authority, from H. Newton Whittelsey, Assistant Deputy Administrator, (Reference: Deputy's Files) which is as follows:

"This is to acknowledge your long distance telephone call of yesterday afternoon, June 27, in reply to my letter of June 25, with regard to the Amendment pertaining to the Emergency clause that you requested in your letter of June 13.

"I understood from you as follows: if it developed that an open hearing must be held on the Application, you at the present time, did not desire to have us proceed with the matter, for the general reason that an amended Code is in formulation and when it is up for consideration then the open hearing will be conducted.

"I informed you in the telephone conversation that the multigraphed copies of the original letters of June 13 were sent without our knowledge to the Administration, and in the usual course had been distributed to the various Advisory Committees or Boards; and that I had heard the Application for this Amendment should be the subject of an open hearing.

"In accordance with your wish, the preparation of the papers for the Amendment was stopped, and will not be proceeded with until we are in receipt of a further request.

"Please accept this as a reply to you on the same subject of June 27 letter."

Following this period the proposed amended Code was expected from month to month, finally December 14, 1934, there was a letter sent to H. G. Smith, Chairman of the Code Authority, from H. Newton Whittelsey,

Assistant Deputy Administrator. (Reference: Deputy's Files) This letter set forth the circumstances and asked the following:

"Will you please give me or point out in the record the authority on which the Shipbuilding and Shiprepairing Industry have been working in excess of the maximum hours of the Code in Emergencies?"

In reply December 21, 1934 letter to H. Newton Whittelsey, Assistand Deputy Administrator, from H. Gerrish Smith, Chairman of the Code Authority, (Reference: Deputy's Files) there was attached a memorandum setting forth the shipbuilders contention for longer hours, but no legal basis for Emergency Work beyond the maximum weekly hours of the Code.

January 9, 1935. Letter to H. Gerrish Smith, Chairman of the Code Authority, from H. Newton Whittelsey, Assistant Deputy Administrator, (Reference: Deputy's Files) approved by memorandum to the author from T. R. Vaughan, Assistant Counsel, by Howard Ralph, Assistant Counsel, (Reference: Deputy's Files). The subject letter read as follows:

"Dear Mr. Smith:

"Reference is made to your letter of December 21, in reply to my letter of December 14 with regard to the above subject. Particular note has been taken of your memorandum on emergency work, dated December 19, attached to your letter.

"Examination has been made also of the Minutes of the meetings listed in your memorandum and also Bulletin No. 2, which pertains to this matter.

"It is understood that necessary emergency repairs to vessels have been made over a long period of years in emergency situations whereby a danger or menace to the safety of a vessel, life or property existed; or where a delay would have worked an undue hardship on an owner.

"However, when the maximum hour provisions of the Code are exceeded in working under such emergencies, special exemption from the maximum hour provisions of the Code must be obtained either by an amendment to the Code or by an exemption of a temporary nature.

"The Code has not been amended to permit work beyond the maximum hours of the Code in emergencies, nor has any exemption been requested or granted. The amendment requested June 13, 1934, was withdrawn.

"Therefore, there exists no authorization for any shipbuilding or shiprepairing yard to work

in excess of the maximum hour provisions of the Code on emergencies and any yard so working would lay itself open to a charge of violation of the Code, even if it does file a report with the Shipbuilding and Shiprepairing Industry Committee.

"It is understood that suitable emergency provisions are being incorporated in the proposed amended Code, which is to be the subject of consideration at your meeting of January 17. If this amended Code is submitted to the Administration, I believe due consideration would be given to a request for exemption from the maximum hour provisions of the Code in emergency repairs of ships for a period not exceeding three months, which should be sufficient for the consideration and approval of the new amended Code.

"The subject is recommended for your careful attention. Kindly acknowledge."

January 17, 1935. Meeting of the Code Authority. The foregoing letter was read (Reference: page 12, Minutes, Deputy's Files) and the following resolution was passed:

"RESOLVED, That the Code Authority authorize its Chairman to clarify with N.R.A. the situation with respect to emergency work and to request approval of such definition of emergency work for the shipbuilding and shiprepairing industry as necessary to clarify this matter; and

"RESOLVED, That the following is adopted as a definition of emergency work:

> 'The term "emergency" means that situation whereby a danger, or menace to the safety of a vessel, life or property exists; or, where a delay would work an undue hardship on an owner or contractor.' .

"And that to each of the Paragraphs 3 (a) and 3 (b) of the Code there be added the following words:

> 'The above limitation of hours in any one week shall not apply to emergency work.'

"AND BE IT FURTHER RESOLVED, That pending the adoption of the amendment by N.R.A. that a temporary exemption be granted for emergency work by N.R.A. to the Shipbuilding and Shiprepairing Industry."

Application for the temporary exemption was duly received and

Administrative Order 2-31, February 19, 1935, signed by W. A. Harriman, Executive Officer, was issued as a stay of Sections (a) and (b) of the Code. There developed considerable controversy over the wording of the term "Emergency Work" within the Administration, which resulted in a better definition and one well suited to shiprepairing and shipping.

The Code Authority at its meeting of February 21, 1935 adopted the new definition (Reference: page 9, Minutes, Deputy's Files) as per the following excerpt from the minutes:

"Definition of the Word "Emergency"

The working of the term 'emergency' as contained in the temporary stay granted by NRA (Order No. 2-31) was considered and on motion of S. W. Wakeman, seconded by W. H. Gerhauser, was adopted. This definition is in lieu of that adopted at the meeting on January 17th, and reads as follows:

> 'The term "emergency" means that situation involving danger or menace to the safety of a vessel, to life, or to property, or when a delay would work an undue hardship on the owner or the shippers or the passengers through loss of use of a vessel for prompt loading or discharge or prompt and safe carriage of cargo or passengers to destination.'

The situation became involved owing to the resistance of the Code Authority to provisions in exemptions and stays, which required overtime be paid beyond the maximum weekly hours of the code, which was interjected into the letters from the Code Authority on the amendment; consequently, the author sent the following letter dated March 20, 1935 to C. C. Knerr, Secretary of the Code Authority (Reference: Deputy's Files)

"Dear Mr. Knerr:

"Referring to my telephone conversation with you to the effect that it is advisable to pass a new resolution of request for this amendment and thus consolidate the two previous resolutions pertaining to the matter.

"The resolution should clearly state the wording that you desire to obtain in the Code and not be involved in other matter such as contained in the letter of January 17. The definition, of course, should follow the corrected wording passed at the last meeting.

"It has been advisable to hold this matter until a decision could be obtained on the protest against time and one-half provision. The subject is now in Review and goes direct to the National Industrial Recovery Board for final determination of that Board, which I hope can be obtained next week. Therefore, we are almost in a position to start ahead with this amendment. You understand if the Board denies the protest that any amendment pertaining to emergency work must in-

clude the provision for time and one-half in excess of the maximum hours of the Code.

"I hope to be at your meeting tomorrow.

"Very truly yours,

"H. Newton Whittelsey,
"Assistant Deputy Administrator
"Equipment Division."

The new resolution was passed at the meeting of the Code Authority March 21, 1935 (Reference: page 3, Minutes, Deputy's Files) and formal letter of application for the Amendment was received by letter dated March 28, 1935 to H. Newton Whittelsey, Assistant Deputy Administrator, from H. Gerrish Smith, Chairman of the Code Authority (Reference: Deputy's Files). The letter read as follows:

"The Code Authority at its meeting in this office on March 21st, 1934 passed the following resolution:

'RESOLVED, That the following is adopted as a definition of emergency work:

"The term 'emergency' means that situation involving danger or menace to the safety of a vessel, to life, or to property, or when a delay would work an undue hardship on the owner or the shippers or the passengers through loss of use of a vessel for prompt loading or discharge or prompt and safe carriage of cargo or passengers to destination: and

'FURTHER, BE IT RESOLVED, That to each of the paragraphs 3 (a) and 3 (b) of the Code there be added the following words:

"The above limitation of maximum weekly hours in any one week shall not apply to emergency work."'

"It is requested that this definition may be placed before the proper authorities in NRA for their consideration and that the definition may be adopted as an amendment to the code. Early action is requested."

Administrative Order 2-32, March 21, 1935, signed by W. A. Harriman, Executive Officer, denied the request of the shipbuilders for the deletion from Exemptions and Stays, the provision that overtime be paid beyond the maximum weekly hours of the code, and consequently this subject involved the amendment. April 5, 1935, a letter to H. Gerrish Smith, Chairman of the Code Authority, from H. Newton Whittelsey, Assistant

Deputy Administrator, (Reference: Deputy's Files) was as follows:

"Dear Mr. Smith:

"Mr. J . W. Hart, one of the Industry members of the Industrial Relations Committee for your Industry, has just informed me that your Shipbuilding and Ship-repairing Industry Committee proposes to exercise its right to appeal from Administrative Order 2-32, pertaining to the payment of time and one-half beyond weekly hours, to the Appeals Board and that you are making preparations for such an appeal.

"In view of this situation, and in order to keep matters clarified, I would suggest the following:

"(a) A letter advising that you intend to take such an appeal.

"(b) A letter requesting the National Recovery Administration to withhold action on the proposed amendment pertaining to emergency work pending the decision of the Appeals Board for the reason that such decision is necessary as a proper guide in the determination of the final form of the proposed amendment.

"(c) A letter requesting extension of the partial stay, Administrative Order 2-31, until such time as the amendment is approved and citing that you intend to take an appeal of 2-32 and have made request for withholding action on the proposed amendment until the decision of the Appeals Board."

The amendment was withdrawn and extension of partial stay (Administrative Order 2-31) was requested in letter dated April 8, 1935 to H. Newton Whittelsey, Assistant Deputy Administrator, from H. Gerrish Smith, Chairman of the Code Authority, (Reference: Deputy's Files) which read as follows:

"Subject: Emergency Work.

"Ref. A. Code Authority's letter to H. N. Whittelsey dated March 28, 1935.

"Ref. B. H. N. Whittelsey's letter to Code Authority dated April 5, 1935, paragraph (b)

"Receipt is acknowledged of your letter of April 5th, in connection with definition of emergency work.

"In view of the Code Authority's letter of even date requesting a further extension of the partial stay (Administrative Order 2-31) covering emergency work, it is requested that our letter of March 28th, asking that the code be amended to cover definition of emer-

gency be held up until our appeal from the decision of Administrative Order 3-32 has been acted upon by the Industrial Appeals Board."

The amendment had been sent to the Advisory Boards, etc., but they were all notified by memorandum dated April 9, 1935 of the situation from H. Newton Whittelsey, Assistant Deputy Administrator.

The shipbuilders were duly further authorized by Administrative Order 2-34, Extension of Stay (Administrative Order 2-31) signed by W. A. Harriman, Executive Officer.

(a) Proposed Amendment of Paragraphs 3 (a) and (b) of the Code as Amended by No. 3, April 2, 1934.

August 3, 1934. The proposed amended Code had not been submitted and consequently the hour provisions of the Code remained at 36 hours per week whereas the Congress had definitely set the maximum weekly hours for the Government Navy Yards at 40 hours per week.

Documents were drafted to correct the situation by a proposed amendment to the Code to provide 40 hours as the maximum weekly hours.

The Order was signed "Approval Recommended" by C. E. Adams, Division Administrator of Division I, but was not signed by Hugh S. Johnson, Administrator. Excerpts from the Order (Reference: Volume I, Amendment Folder, Deputy's Files) are as follows:

"Part 3, Paragraph (a) is modified to read:

'Shipbuilding - No employee on an hourly rate shall be permitted to work more than forty (40) hours per week. If an employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half ($1\frac{1}{2}$) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours.'

"Part 3, Paragraph (b) is modified to read as follows:

'Shiprepairing - No employee on an hourly rate shall be permitted to work more than forty (40) hours per week averaged over a period of six (6) months, nor more than forty-four (44) hours during any one week. If any employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half ($1\frac{1}{2}$) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours.'

"Provided, however, that the hourly rates now prevailing in private yards shall not be reduced because of the increase in hours except rates resulting from the application of Public Works Administration Bulletin No. 51."

The report, August, 3, 1934, to Hugh S. Johnson, Administrator, signed by J. B. Weaver, Deputy Administrator, and approved by C. E. Adams, Division Administrator, (Reference: Volume II, Amendment Folder, Deputy's Files) is excerpted as follows:

"This is a report on the amendment to the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry and on the recommendations made thereon by the National Labor Board to the National Emergency Council on March 22, 1934.

"The following exhibits are included or attached:

Legal Division's approval
Original letter of transmitted from Industry
Notice of Opportunity to file objections
Code on which amendment is being made
Letter from Secretary of the Navy
Transcript of the hearing held before the
National Labor Board

"The other exhibits ordinarily included are not present in this case due to the fact that no hearing has been held before the National Recovery Administration on this amendment.

".....A copy of the National Labor Board's report is included in the exhibits.

"Paragraph of 3 of the findings of this report reads as follows:

'That the desirability of uniform hours in the shipyards and in the Navy Yards be recognized, and in the event that such equalization is not brought about within a period of six months from the date hereof, the Administrator of the Industrial Recovery Act shall review the question of weekly hours in the shipyards.'

"The passage on March 28, 1934, of the Independent Offices Appropriation Act established for the Navy Yards a work week of forty (40) hours. The Act likewise provides that employees of the Navy Yards should receive for the new forty (40) hour week a weekly wage which would equal that which would have been received for a forty-eight (48) hour week under the old wage scale.

"The Navy Department in submitting its views on the matter has stated that a completion of all vessels now under construction is essential at the earliest possible date and recommends as a means of accelerating progress on this work that the hours be increased from thirty-six (36) to forty (40) in the Shipbuilding and Shiprepairing Code."

During this period the controversey over the Industrial Relations Committee as between Industry and Labor reached a climax. The Labor members of the Committee testified before the Black Committee of the Senate which resulted in a letter from Senator Black to the Secretary of the Navy. This letter, amongst other things, suggested that the Naval bids which were to be opened August 15, 1934 be withheld until the Industrial Relations Committee was properly set up. (The details of this situation will be set forth by the Author under the title of Industrial Relations Committee)

Also the Shipbuilding Code and the Author were transferred August 1, 1934 from Division I to Division II, although by agreement the Division Administrator and Deputy Administrator of Division I signed the report to the Administrator.

The documents went direct from Division I to Colonel George A. Lynch, Administrative Officer, who informed the Author that he would hold the matter until the return of General Hugh S. Johnson, Administrator, and further was of the opinion that the order could not be approved without an open hearing in view of the controversey existing between Industry and Labor. The documents were returned to the Author without comment after the return of the Administrator August 15, 1934 without the Administrator's signature.

Proposed Amended Code

March 2, 1934 the Code Authority meeting. The following resolution was passed: (Ref. page 3, Minutes, Deputy's Files)

> "WHEREAS The Rules and Regulations for the Administration of the Code of Fair Competition and Trade Practice for the Shipbuilding and Shiprepairing Industry in the United States have been violated with such frequency as to be detrimental to the Industry; and
>
> "WHEREAS There has been no conclusive action taken by any enforcement authority; and
>
> "WHEREAS The Code Committee has been informed by the National Compliance Director that the Rules and Regulations are unenforceable and otherwise defective in many respects; and
>
> "WHEREAS There seems to be a general demand within the Industry for modifications and improvements
>
> "THEREFORE, BE IT RESOLVED: That the Shipbuilding and Shiprepairing Code be re-written with a view to including therein all necessary and proper features for its administration, regulation and enforcement; and
>
> " BE IT FURTHER RESOLVED: That the re-writing of the Code be postponed until immediately following the first meeting of the Code Committee following the general meeting of all Code Authorities called by the Administrator in Washington, commencing March 5, 1934."

March 15, 1934 the Code Authority meeting. Excerpts from the Minutes are as follows: (Ref. page 5, Minutes, Deputy's Files)

> "Mr. J. B. Weaver was of the opinion that the code should be amended and rewritten as there are a lot of loose ends which could be rectified when the code was being redrafted. Mr Roger Williams in speaking of the resolutions was of the opinion that no action be taken on them but stick to the provisions of the code until the code is rewritten and that it should be rewritten immediately

"Mr. Gerhauser suggested that subcommittee of the Code of the Code Committee be appointed to amend the code and he therefore made the following motion:

> 'That the Chairman be empowered to appoint a committee to work with the Administration representatives in redrafting the code, taking into account the three resolutions tabled at the meeting of March 2nd, together with all the matters which have been discussed from time to time and which should be considered in connection with redrafting the code and further that the Chairman be authorized to employ Counsel if found necessary.'

"Motion was seconded by Roger Williams and carried and the Chairman announced he would make these appointments promptly."

In accordance with the foregoing resolution the Code Revision Committee was appointed as follows: (Ref. letter Sept. 27, 1935 to H. Newton Whittelsey, Assistant Deputy Director, from C. C. Knerr, Secretary of the National Council of American Shipbuilders, Deputy's Files)

A. B. Homer - Bethlehem Shipbuilding Corp.
W. H. Gerhauser - American Shipbuilding Corp.
Carl E. Petersen - Newport News S/B & D/D Co.

The Committee thus appointed promptly began work on a Revised Code according to verbal information given the Author.

April 24, 1934 the Code Authority passed a resolution pertaining to code modification. (Ref. page 11, Minutes, Deputy's Files). Excerpts of this resolution are as follows:

"Code Modification - Longer Working Hours

"The Code Authority, cognizant of the hardship involved in the Industry due to the shorter work week under the Shipbuilding and Shiprepairing Code than in the majority of the approved codes passed the following resolution offered by Mr. S. W. Wakeman, seconded by Roger Williams:

> "THEREFORE, NOW BE IT RESOLVED: It is the opinion of the Code Authority for The Shipbuilding and Shiprepairing Industry that the stabilization of the Industry, the elimination therefrom of unfair competitive practices and the maintenance of harmonious relations between management and employees, requires the establishment of forty hours a week of employment throughout the shipbuilding branch of the industry and an average of forty hours a week over a six months period with sufficient leeway to permit a maximum of forty-eight hours of employment in any one week for the shiprepairing branch. The Code Authority recommends immediate approval of the above changes in hours for the Shipbuilding and Shiprepairing Industry.

"The above resolution was unanimously adopted."

As a result of the foregoing resolution members of the Shipbuilding Code Authority appeared before General Hugh S. Johnson, Administrator, in a preliminary private conference May 4, 1934, and again before him in a general conference May 7, 1934, where principal parties of interest were present. The subject was the request of the Industry for a 40 hour week. Research and Planning made a report later, but the Administrator rendered no decision and therefore no relief was granted. (Author's note: The details of this occurrence will be set forth under IV, Operations of Code Provisions, C. Hours)

June 1, 1934 the proposed amended code had not been submitted, as the Shipbuilders contended that the question of maximum weekly hours should be first settled. The Author, by direction of J. B. Weaver, Deputy Administrator, drafted a letter to H. Gerrish Smith, Chairman, of the Code Authority, for the signature of Hugh S. Johnson, Administrator. This letter required the Code Authority to submit the proposed amended code by June 15, 1934. The letter and copies were sent forward, but was not promptly signed, in fact both the letter and copies became lost. A substitute letter was drafted for the same purpose and sent forward. Then the original letter was received by Mr. Smith in New York duly signed. No copies of the signed letter can be found in any files although careful search has been made in General and Deputy's Files.

The Author knows of no reply to the subject letter nor can any be located in the file. However, there was a conference arranged by telephone by the Author for June 26, 1934. For the Shipbuilders, H. Gerrish Smith, Chairman of the Code Authority, and Roger Williams, Vice-President of the Newport News Shipbuilding and Drydock Company, and member of the Code Authority were present, and J. B. Weaver, Deputy Administrator, and the Author. The Shipbuilders contended that in view of the controversy between the Industry and the Washington representatives of Labor, both at the conference of May 7, 1934 hereinbefore referred to, and the Industrial Relations Committee that it was unwise to submit the amended code and put it to open hearing prior to the expected opening of Navy Department bids, August 15, 1934.

Mr. Weaver agreed with the Shipbuilding view but with the understanding that the proposed amended code would be submitted as soon as the new Navy contracts were awarded.

The following letter is quoted as typical of the views of the Industry at this time. (Ref. Deputy's Files)

"June 23, 1934.

"Dear Sir:

"I have your letter of June nineteenth with reference to the revision of the Shipbuilding and Shiprepairing Code.

"It seems to me that is useless for the industry to attempt to revise the present Code until the question of weekly hours, both on ship building and ship repair work, is

settled on a more satisfactory basis than at present. The industry has been promised relief and equitable treatment in this regard, but thus far these promises have not been kept.

"Yours very truly,

"/s/ W. H. Gerhauser"

"H. Newton Whittelsey, Assistant
Deputy Administrator,
Shipping Section,
National Recovery Administration,
Washington, D. C."

The Code Authority sent out the following duplicated letter:

"June 26th, 1934.

"TO: The Code Committee
Shipbuilders Administrative Committee
Shiprepairers National Committee
All Local Area Chairman

"The Code Revision Committee has continued its work of revision of the Shipbuilding and Shiprepairing Code but this work has necessarily proceeded slowly because of the numerous changes in Codes resulting from Administrative Orders and because of the fact that the Committee has been asked to give thorough consideration to many points suggested to it by the Administration itself. Therefore it will be some time before a revised code can be submitted to the Industry for final comment.

"Very truly yours,

"H. Gerrish Smith
Chairman."

Letter to H. Gerrish Smith, Chairman, from H. Newton Whittelsey, Assistant Deputy Administrator, dated June 28, 1934, made the following request, quoted from the letter:

"Under the circumstances it is my duty to ask you to kindly point out the Administrative Orders you have reference to and also the many points suggested by the Administration."

Mr. Smith sailed for Europe the same day and no reply was received.

August 6, 1934, the Industrial Union of Marine and Shipbuilding Workers of America, Local No.4, Bath, Maine, by letter to Mr. Lloyd Garrison, Chairman, National Labor Relations Board submitted an amendment to the Code. (Ref. Deputy's Files)

August 10, 1934, Benedict Wolf, Executive Secretary to the National Labor Relations Board, acknowledged the subject letter to the Union and

forwarded the letter to J. B. Weaver, Deputy Administrator. (Ref. Deputy's Files) The Code and the Author by this time had been transferred to Division 2, however, the letter was finally received August 19, 1934.

The subject letter was submitted to the Legal Adviser on the Shipbuilding Code who replied by memorandum August 17, 1934, to H. Newton Whittelsey, Assistant Deputy Administrator, from Howard F. Ralph, Assistant Counsel. (Ref. Deputy's Files) August 21, 1934, the subject letter was sent to H. Gerrish Smith, Chairman of the Code Authority, from H. Newton Whittelsey, Assistant Deputy Administrator, for consideration by the Code Revision Committee and was duly acknowledged by return letter dated August 22, 1934, from Mr. Smith. (Ref. Deputy's Files) The Union's letter was also acknowledged August 21, 1934, to Leo W. Migneault, Secretary to the Union, by the Author and the Union was advised that the proposed amendment was forwarded to the Code Authority.

Mr. H. Gerrish Smith, Chairman of the Code Authority, was in Washington, D. C., the week beginning August 12, 1934, and discussed with the Author the proposed amended Code. August 21, 1934, letter to H. G. Smith, Chairman, from H. Newton Whittelsey, Assistant Deputy Administrator, (Ref. Deputy's Files) contained the following:

> "When you were in Washington last week we discussed the proposed Amended Code which your Code Committee is preparing and I understand you are now approaching the time when same is to be printed and submitted to the Industry. During the conference I informed you that I had, with the aid of our Legal Staff, made preliminary drafts of the Amended Shipbuilding Code in the hope that same may be of assistance to your Code Authority.
>
> "I am sending this matter to you with the understanding that it is to be taken only as containing my personal views and not in any sense as proposed by the National Recovery Administration."

The draft of the proposed amended Code above referred to is filed in the Deputy's Files.

September 5, 1934, letter to H. G. Smith, Chairman of the Code Authority, from H. Newton Whittelsey, Assistant Deputy Administrator, (Ref. Deputy's Files) was as follows:

> "Re: Amendments to Code
>
> "Dear Mr. Smith:
>
> "Please find attached copy of a letter addressed to Mr. Barton W. Murray, Division Administrator, under date of August 30 by Philip Van Gelder, Executive Secretary, Industrial Union of Marine and Shipbuilding Workers of America.
>
> "The purport of the letter is to make recommendations for certain provisions to be incorporated in the Shipbuilding and Shiprepairing Code.

"In view of the fact that you are working on the amended Code, I am sending this to you for consideration of your Code Authority.

"Will you please acknowledge?"

September 12, 1934, meeting of the Code Authority attended by W. W. Rose, Deputy Administrator, and H. Newton Whittelsey, Assistant Deputy Administrator. The proposed amended Code was informally discussed and we were given to understand it was substantially ready, however, there is no record of the discussion in the Minutes of the meeting.

September 20, 1934, letter to H. Gerrish Smith, Chairman of the Code Authority, from H. Newton Whittelsey, Assistant Deputy Administrator, (Ref. Deputy's Files) was as follows:

"Re: Proposed Amended Code.

"Dear Mr. Smith:

"Confirming my conversation of yesterday, I beg leave to give you the following information:

"We have already received from the Industrial Union of Marine and Shipbuilding Workers, Local #4, Bath, Maine, a proposed amendment to the Shipbuilding Code. Further, we received from the Industrial Union of Marine and Shipbuilding Workers, Camden local, under date of August 30, another proposed amendment to your Code. Both of these proposed amendments pertain to maximum hours and other labor matters.

"There also is in process, although we have not officially received same, a proposed amendment to the Boatbuilding and Boatrepairing Code which will effect the definitions contained in the Shipbuilding and Shiprepairing Code. There is a possibility that other amendments proposed by the Boatbuilding and Boatrepairing Industry may likewise be of interest to you.

"From the discussion at your Code Authority meeting, it is my understanding that your proposed amended Code is substantially ready for final submission to the Industry and that you are about ready to order it printed.

"Perhaps in your meeting tomorrow, or the one proposed for Tuesday, you can obtain authority for the printing of this Code and promptly get it out to the Members of your Industry.

"It is very desirable that definite progress be registered and that we may definitely expect the amended Code to be submitted to the Administration not later than October 31. This, under normal procedure, would bring the Hearing in late November.

"I must definitely notify the two Locals of the Industrial Union of Marine and Shipbuilding Workers that definite progress

is being made in the submission of the Code in order that they may be satisfied to await the Hearing on the amended Code and not enforce an application for an amendment under the present Code.

"Both of these requests for amendment were promptly sent to you and you kindly acknowledged same.

During October and November and December, 1934, Mr. H. Gerrish Smith, Chairman of the Code Authority, and President of the National Council of American Shipbuilders, was in Washington almost weekly. Many informal talks were had with him by W. W. Rose, Deputy Administrator, and the Author. He was continually pressed to submit the proposed amended Code. Certain members of the Code Authority were unwilling to have it submitted for several reasons, i. e.: The 30 hour law before Congress, the controversy over the Industrial Relations Committee with Washington representatives of Labor, which was finally adjusted early in November, the lack of favorable decision by General Hugh S. Johnson, Administrator, on their application for a 40 hour week, and the general determination to stay out of open hearings during the period of investigation by the Nye Committee of the Senate on munitions. The Shipbuilders put none of the foregoing in writing for obvious reasons, and even meetings of the Code Authority were not held.

However, December 20, 1934, meeting of the Code Authority was held and the proposed amended Code was discussed. (Ref. page 14, Minutes, Deputy's Files) Excerpts are as follows:

"Revision of Shipbuilding and Shiprepairing Code

"The Chairman reported that the Committee appointed to consider the code revision is still working on revision of the code but that the matter would be taken up with a view to having it in such shape that it can be printed at an early date and sent out to the industry for suggestions before submission to N.R.A. for hearing. The Chairman informed Mr. Whittelsey that the Shipbuilding and Shiprepairing Industry has not accepted the revised definition for shipbuilding and shiprepairing."

January 17, 1935, meeting of the Code Authority was attended by W. W. Rose, Deputy Administrator, and the Author, H. Newton Whittelsey, Assistant Deputy Administrator, for the particular purpose of inducing the Code Authority to submit the amended Code. The following is excerpted from the Minutes. (Ref. Minutes, pages 8 and 9, Deputy's Files)

"Revision of Code

"The Chairman of the Code Authority reported that both Colonel Rose, Deputy Administrator, and Mr. H. Newton Whittelsey, Assistant Deputy Administrator had urged a revision of the Shipbuilding and Shiprepairing Code and that the matter had been discussed by the Chairman at some length with both the Deputy and Assistant Deputy Administrators. It was requested that Colonel Rose might state to the Code Authority his reasons for feeling that the Code should be revised at the present time.

"Colonel Rose stated that since the adoption of the Shipbuilding and Shiprepairing Code, which was Code No. 2, that many provisions had been adopted by N.R.A. which it was felt should be in all the codes and that furthermore the present Code was lacking in certain provisions to take care of cases that had arisen and that it is his belief Code Revision would be of benefit to the Industry. He stated he did not want the Industry to think he was attempting to coerce it in any manner by pressing for Code Revision and thereupon gave the following examples of what the Code does not now provide for and which in his opinion should be incorporated in a revised Code.

"1. The definitions are inadequate. It has been suggested that there be a Naval Shipbuilding Code, a Commercial Shipbuilding Code, and a Shiprepairing Code. Also that the Code ought to be modified with respect to the boat building Code where there is conflict.

"2. Question of hours of work in connection with draftsmen and mold loftsmen, where pay is in excess of $35.00 a week.

"3. Question of hours for clerical staff.

"4. Provisions for emergency work.

"5. Provision of testing installations and trial trips, etc.

"6. Hours of watchmen and fireman.

"7. Clause to prevent employees from exceeding maximum hours by working for two employers.

"8. Lack of Regional and Divisional Code Authorities.

"9. Present Code Authority represents Naval builders only.

"10. Absence of Fair Trade Practices.

In the discussion of these matters it was pointed out that the present Code Authority does not represent Naval shipbuilders only as only two of the members of the Code Authority are builders of naval vessels and that through the Committees set up under the Rules and Regulations which were developed in connection with the Code that all geographical districts on the coasts of the United States and on the Great Lakes are represented.

"This led to a discussion of the Rules and Regulations adopted October 2nd, 1933.

"Mr. Whittelsey stated that these Committees are not recognized by N. R.A. The Code Authority argued that they should be recognized by N.R.A. because the Rules and Regulations had been developed in cooperation with Mr. William H. Davis, our Deputy Administrator at the time and that they had been approved by him."

During the discussion substantially the same reasons for not submitting were expressed and in addition the question of the validity of the Act, which was much in the newspapers at the time.

The same situation continued through February and March, 1935. April 17, 1935, letter to H. G. Smith, Chairman of the Code Authority, from H. Newton Whittelsey, Assistant Deputy Administrator, (Ref. Deputy's Files) was as follows:

"Re: Proposed Amended Code

"Dear Mr. Smith:

"Plans appear to be formulating, subject to the action of Congress, to rewrite all the Codes within a comparatively short period of say three months.

"Your problem will be quite difficult in that your amended, or rewritten Code will substantially have to be new from cover to cover. Under the circumstances it would seem wise to continue work on this matter, particularly on Trade Practice provisions with a possible idea of submitting a preliminary draft of such provisions to the Administration.

"I am advised the Industrial Relations Committee will probably hold a meeting next Tuesday the 23rd and I hope that your proposed meeting may be brought about on Thursday the 25th.

2. Interpretations

a (1) There was only one official Interpretation, Administrative Order 2-27, dated December 13, 1934, signed by Barton W. Murray, Division Administrator, (Reference: Code Record Section, Interpretation Folder, Deputy's Files, and Exhibit K-27, Appendix) from which an excerpt from the order is as follows:

"QUESTION: In Sub-Section (c) of Section 3 of the Code, does the six months' period begin on the effective date of the Code or on the date the order is placed for each new ship?

"INTERPRETATION: The six months' exception permitted under Sub-Section (c) of Section 3 of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry begins on the date the order is placed for each new ship."

Reference is made to the memorandum of December 5, 1934, to Barton W. Murray, Division Administrator, from H. Newton Whittelsey, Assistant Deputy Administrator, (Reference: Volume, Order 2-27, Code Record Section and Interpretation Folder, Deputy's Files) from which excerpts are as follows:

"INTERPRETATION. Exceptions, Section 3 (c) of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry.

"1. The above setion of the Code reads as follows:

'Section 3 (c) Exceptions. - For a period of six (6) months exception may be made in the number of hours of employment for the employees of the Shipbuilders engaged in designing, engineering and in mold loft and order departments and such others as are necessary for the preparation of plans and ordering of materials to start work on new ship construction, but in no event shall the number of hours worked be in excess of forty-eight (48) hours per week, and in no case or class of cases not approved by the Planning and Fair Practice Committee provided for in Section (8).'

"2. The Shipbuilding and Shiprepairing Industry Committee telegraphed with reference to its interpretation of the meaning of the above Section as follows:

'It is our interpretation of exception three C in the Code for the Shipbuilding Industry that on new ship construction such as that on naval vessels for which contracts have been recently placed draftsmen and loftsmen on these new contracts can work forty-eight hours a week for a six months period stop

request confirmation this understanding'"

"4. This Section of the Code provides that 'for a period of six months exception may be made .....on new ship construction.....' The question to be determined by interpretation is the time from which the six months exception is dated.

"5. In August, 1933 the Navy Department placed large naval shipbuilding orders with private shipbuilders. Again in August and September, 1934 orders were further placed with private shipyards. The shipbuilders contend that the Exception with regard to the naval contracts placed in 1934 should date from the time of placing of the orders and that this was the intent when they proposed the Exception in the original Code submitted by the Industry as recorded in the hearings prior to approval.

"6. (a) By advice of counsel the Shipbuilding and Shiprepairing Industry Committee on November 19 was invited to submit their argument in support of their Interpretation. The argument was submitted in their letter of November 20 hereto attached.

"6. (b) The Shipbuilding and Shiprepairing Industry Committee further submitted argument on November 21, and therein pointed out that the Exception was proposed in the original Code as shown in the record of the hearings of July 19, 1933; and that the necessity for this provision was discussed by Rear Admiral Land on Page 99 of the hearings and also by Mr. Lawrence Spear, of the New London Ship and Engine Company, on Page 60. They further point out that the Exception was written into the original proposed Code applicable to all new construction with the -

'full realization of the fact that it is impossible to create employment in the mechanical trades until the plans are prepared and approved and until the material is ordered and received.'

"7. Mr. A. D. Whiteside, acting as Deputy in charge of the Shipbuilding and Shiprepairing Code, conducted the hearings of July 19, 1933, and was present at post hearing conferences with General Johnson. In conference he stated that he remembered the incident clearly and confirmed same as follows:

'It is my recollection that the six months exception provided in the clause was to date from the time of placing orders for new ships as such orders may be placed from time to time and not to date from the time of the approval of the Code.'

"8. Captain Henry Williams (C.C.U.S.N.) was present at the hearings of July 19, 1933, and was appointed by the President to represent the Navy on this Code Authority. By memorandum he points out that the Navy Department urged exemption from hours of work limiting draftsmen, loftsmen, and other clerks, and that after a shipyard receives a contract for a new ship, its actual construction cannot proceed until the drafting room has prepared the detailed plans, the material ordered, and the vessel laid down in the mold loft. He further states as follows:

'While at the time of consideration of the Code, attention was focussed on the new naval program, the probability of additional new ship construction was recognized and all of the provisions of the Code affecting new ship construction had in view additional new construction to that contemplated at that moment.

'My recollection is that the provision of the Code in question was intended to apply also to future new ship construction and not exclusively to the naval shipbuilding program then under consideration.

'I have in my possession a copy of a memorandum dated 14 July, 1933, which I prepared for Mr. Whiteside and which contemplated and urged the need for a general exemption for all draftsmen at all times from any limitation on hours of work.'

"9. Mr. Joseph S. McDonagh, who was appointed by the President as Labor adviser to the Shipbuilding and Shiprepairing Code Authority, was present at this hearing. He states that it is his conviction that the six months' exception contained in the Section was to date from the time the Code was approved by the President and not from the time new contracts were signed."

Research and Planning Division made no definite recommendations; the Labor Advisory Board made no definite recommendation, but the tenure of their memoranda was unfavorable; Consumers Advisory Board recommended disapproval, although they were supposed to represent the interests of the Navy in this instance, Industrial Advisory Board concurred; the Assistant Counsel concurred, and the Assistant Deputy recommended.

a (2) Interpretations by Code Authority

The Shipbuilding and Shiprepairing Industry Committee (Code Authority) by resolution made certain interpretations which were not submitted for approval, as follows:

Meeting November 8, 1933 (Reference: Minutes, page 4, Deputy's Files).

INTERPRETATION NO. 1,
November 15, 1933
RULES AND REGULATIONS, Section VIII
PARAGRAPH (i)
Pertaining to Guarantee Men (Ref. Exh. I-1, Appx)

Meeting November 8, 1933 (Reference : Minutes, page 3, Deputy's Files)

INTERPRETATION NO. 2,
November 16, 1933
SHIPBUILDERS & SHIPREPAIRERS CODE
Paragraph 3 (a) (1)
Paragraph 3 (b) (1)
Emergency Work (Ref.Exh. 1-2, Appx)

Meeting January 4, 1934, (Reference: Minutes, page 5, Deputy's Files)

INTERPRETATION NO. 3,
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraphs (c), (d) & (e)
Main Contracts (Ref. Exh. 1-3, Appx)

Meeting January 4, 1934, (Reference: Minutes, Page 1, Deputy's Files)

INTERPRETATION NO. 4,
January 4, 1934
RULES AND REGULATIONS, Section VIII,
Paragraph (d)
Lump Sum Price (Ref. Exh. 1-4, Appx)

Meeting January 4, 1934 (Reference: Minutes, page 2, Deputy's Files)

INTERPRETATION NO. 5,
January 4, 1934
SHIPBUILDERS & SHIPREPAIRERS CODE
Interpretation as to Those Who Come Under the Code
(Ref. Exh. 1-5, Appx)

Meeting January 4, 1934 (Reference: Minutes, page 3, Deputy's Files).

INTERPRETATION NO. 6,
January 4, 1934
SHIPBUILDERS & SHIPREPAIRERS CODE
Ruling as to Whether Machinery Built in a Shipyard Shop
for Another Shipbuilder Comes Under the Code
(Ref. Exh. 1-6, Appx)

Meeting January 4, 1934 (Reference: Minutes, page 4, Deputy's Files)

INTERPRETATION NO. 7,
January 4, 1934

RULES AND REGULATIONS, Section VIII
Paragraph (i)
- Dec -
(Ref. Exh. 1-7 Appx)

Meeting January 4, 1934 (Reference: Minutes, page 5, Deputy's Files).

INTERPRETATION NO. 8,
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraph (i)
Compliance Certificate
(Ref. Exh. 1-8 Appx)

Meeting January 4, 1934 (Reference: Minutes, page 5, Deputy's Files)

INTERPRETATION NO. 9,
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraph (i)
Exception Denied
(Ref. Exh. 1-9, Appx)

Meeting January 4, 1934 (Reference: Minutes, page 10, Deputy's Files)

INTERPRETATION NO. 10
January 4, 1934
RULES AND REGULATIONS, Section VIII,
Paragraph 3 (c)
Shipping Board Bureau Vessels under
Private operation
(Ref. Exh. 1-10, Appx)

Meeting January 4, 1934 (Reference: Minutes, page 9, Deputy's Files)

INTERPRETATION NO. 11,
January 4, 1934
SHIPBUILDERS AND SHIPREPAIRERS CODE
Paragraph 3 (a) (1)
Overtime Payment
(Ref. Exh. 1-11, Appx.)

Meeting January 4, 1934 (Reference: Minutes, page 10, Deputy's Files)

INTERPRETATION NO. 12,
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraph 3 (c)
Special Marine Repairs
(Ref. Exh. 1-12, Appx.)

Meeting January 4, 1934 (Reference: Minutes, page 6, Deputy's Files)

INTERPRETATION NO. 13,
January 4, 1934
SHIPBUILDERS AND SHIPREPAIRERS CODE

Railroad Shiprepair Plants Repairing Their Own Equipment
(Ref. Exh. 1-13, Appx.)

Meeting January 4, 1934 (Reference: Minutes, page 4, Deputy's Files).

INTERPRETATION NO. 14,
January 4, 1934
SHIPBUILDERS AND SHIPREPAIRERS CODE
Repairs to Pumps and Dredge Equipment
(Ref. Exh. 1-14, Appx.)

Interpretation by H. Gerrish Smith, Chairman of the Shipbuilding and Shiprepairing Industry Committee, and confirmed by inference at meeting March 2, 1934 (Reference: Minutes, page 6, Deputy's Files).

INTERPRETATION NO. 15
January 15, 1934
RULES AND REGULATIONS, Section VIII
Paragraphs (c), (d) and (e)
Shipping Board Vessels Under Private Operation
(Ref. Exh. 1-15, Appx.)

Reference is made to the foregoing interpretations made and issued to the Industry by the Code Authority. They may be classified as follows:

> Interpretations of the Rules and Regulations are Nos. 1, 3, 4, 7, 8, 9, 10, 12 and 15.
>
> Interpretations of the Code are Nos. 2, 5, 6, 11, 13 and 14.

No sufficient explanation can be found in the files why these interpretations were not submitted to the Administration for approval. Mr. W. A. Davis, Deputy Administrator, on the Code during this period was also the appointee to the Code Authority to represent the Administration. The Minutes of the Meetings of November 8, 1933, and January 4, 1934, set forth that he was present at both meetings. (Reference: Meetings, Deputy's Files)

With regard to the Rules and Regulations, Mr. Davis made the following statement as to the necessity of submitting them in the October 2, 1933 meeting, at which meeting they were approved by the Code Authority. (Reference: Minutes, Deputy's Files)

> "Mr. Smith raised the question as to the propriety of having the Rules and Regulations approved by the President of the United States so as to become the "law of the land". Mr. Davis reported that he had taken this matter up with Colonel Lea and that it was thought that the Code Committee had sufficient power under the code to enforce the Rules and Regulations as written and that the approval of our Rules and Regulations would establish a precedent. Mr. Davis was of the opinion, however, that if the Rules and Regulations were found to be unenforceable that he would again take the matter up with the Administrator to have them approved by Executive Order."

Under the foregoing advice the Code Authority assumed that Interpretations of the Rules and Regulations were within their authority according according to verbal statements to the Author.

However, the Interpretations of the Code, other than explanations in fact, have even less foundation for not having been submitted to the Administration for approval in the opinion of the Author.

b. Results of Interpretations

Interpretation (Order 2-27) of sub-section (c) Section 3 of the Code was promptly put into effect by private shipyards building the 1934 Naval program. These yards were duly authorized at the meeting of the Code Authority (Planning and Fair Practice Committee) on December 20, 1934, (Reference: Minutes, pages 9 and 10, Deputy's Files)

Draftsmen and Mold-Loftsmen

"The Assistant Deputy Administrator, by letter of December 6th, informed the Code Authority that in the event interpretation of Section 3 (c) as to working certain employeesonnew ship construction being favorable it would be necessary for the Code Authority to pass a resolution approving each case for each shipyard that will be permitted to work under the exception and in view of such interpretation (2-27) being favorable thereupon on motion of W. H. Gerhauser, seconded by Roger Williams the following resolution was unanimously adopted:

"WHEREAS, certain Naval contracts were awarded in August 1934 to:

Bethlehem Shipbuilding Corp. Ltd. (Quincy, Mass.)
Electric Boat Company
United Shipbuilding & Dry Dock Corp.
Federal Shipbuilding & Dry Dock Co.
New York Shipbuilding Corporation
Newport News Shipbuilding & Dry Dock Co.

"WHEREAS, such contracts were allocated to the above shipyards as follows:

No.	Type of Vessel	Shipyard
CL-46	Light Cruiser	New York Shipbuilding Corp.
CL-47	"	Newport News S/B & D/D Co.
DD-380	Destroyer	Bethlehem Shipbuilding Corp.
DD-382	"	"
DD-381	"	Federal S/B & D/D Co.
DD-383	"	"
DD-384	"	United S/B & D/D Co.
DD-385	"	"
SS-176	Submarine	Electric Boat Company
SS-177	"	"
SS-178	"	" , and

"WHEREAS, Section 3 (c) of the Code for the Shipbuilding and Shiprepairing Industry provides for the following exception:

'For a period of six (6) months exception may be made in the number of hours of employment for the employees of the Shipbuilders engaged in designing, engineering and in mold-loft and order departments and such others as are necessary for the preparation of plans and ordering of materials

to start work on new ship construction, but in no event shall the number of hours worked be in excess of forty-eight (48) hours per week, and in no case or class of cases not approved by the Planning and Fair Practice Committee provided for in Section (8)', and,

"WHEREAS, The Code Authority is in receipt of Administrative Order No. 2-27 dated December 13, 1934, which reads as follows:

'QUESTION: In Sub-Section (c) of Section 3 of the Code, does the six months period begin on the effective date of the code or on the date the order is placed for each new ship?

'INTERPRETATION:

The six months' exception permitted under Sub-Section (c) of Section 3 of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry begins on the date the order is placed for each new ship.

'NOW, THEREFORE, BE IT RESOLVED: That the above shipyards are granted the privilege of working all trades enumerated in Section 3 (c) of the Code for a period of six (6) months from the date of the contracts on the above named vessels.' "

Interpretations by the Code Authority, not submitted for approval of the Administration, which pertained to the Rules and Regulations will be discussed under the heading III-D-5 "Other phases of Code Administration."

Interpretations by the Code Authority pertaining to the Code reflected on Industry as follows:

Interpretation No. 2 had the effect of authorizing the employment of men on Emergency work beyond the maximum weekly hours of the Code, provided certified reports were made on certain forms to the Code Authority.

Exemption was later granted by the Administration for emergency work, as this interpretation was clearly without the powers of the Code Authority in the opinion of the Author.

Interpretation No. 5 pertained to "Those Who Come Under the Code." It was in fact an explanation and for the most part within the authority of the Code Authority and tended to enhance compliance.

Interpretation No. 6 pertained to "Machinery Built in a Shipyard Shop for Another Shipbuilder." This also is an explanation and tended to maintain compliance with the Code.

Interpretation No. 11 was as follows:

That overtime is not to be paid for the four hours in

excess of the 36 hours in any one week, but is only to be paid for hours in excess of eight hours in any one day.

The excerpt from the meeting of January 4, 1934 (Reference: Minutes page 9, Deputy's Files) is as follows:

> "The Labor representatives of the Code Committee presented a letter at this time relating to overtime in which it was claimed that overtime should be paid on commercial work after thirty-six hours a week. The matter was discussed and Mr. Davis, Deputy Administrator, gave the following interpretation, namely;
>
> 'That overtime is not to be paid for the four hours in excess of the 36 hours in any one week but is only to be paid for hours in excess of eight hours in any one day.'
>
> "This interpretation was adopted upon motion by Roger Williams, seconded by Robert Haig."

Therefore, it was really Deputy Administrator W. H. Davis who made this Interpretation and the Code Authority adopted it. It most assuredly should have been submitted to the Administration for approval in the opinion of the Author.

Interpretation No. 13 pertained to "Railroad Shiprepair Plants Repairing their Own Equipment." This was an explanation made by Deputy Administrator W. H. Davis and adopted by the Code Authority, and was well grounded in the opinion of the Author.

Interpretation No. 14 pertained to Repairs to "Pumps and Dredge Equipment." This was an explanation by the Code Authority and is concurred in by the Author.

c. Interpretation (Order 2-27) of sub-section (c) Section 3 of the Code was effective at the time when all private shipyards building on the Naval programs of 1933 and 1934 were making every effort to obtain longer hours for designers and loftsmen, in order to shorten the time to actual ship construction. For the 1933 program there were a series of Administrative Orders extending the exceptions granted in Section 3 (c) of the Code, namely Order 2-3 February 1, 1934; Order 2-17, May 4, 1934; Order 2-24, November 14, 1934; Order 2-28, December 29, 1934, and Order 2-23 April 13, 1935. (Reference: Code Record Section and Exemption Folder - Deputy's Files) Reference is made to the volumes containing these Orders. They contain the Resolutions of the Code Authority setting forth the necessity for longer hours, communications from the Navy Department and other pertinent information of the same nature.

There is no doubt in the Author's mind that the subject

Interpretation was properly grounded and of considerable benefit to the Industry and to the Navy Department, in that it acted to encourage reasonable progress on the Naval building program.

Interpretation by the Code Authority not submitted for approval of the Administration

The Author in general concurs with those that are substantially explanations as hereinbefore set forth.

However, Interpretation No. 2, which had the effect of authorizing Emergency work beyond the maximum hours of the Code, was clearly, in the opinion of the Author, a modification of Code provisions and should have been submitted at the time as a Code Amendment. It was necessary, later for the Author to rectify the situation, which unavoidably caused irritation of the Industry.

Further, Interpretation No. 11, which provided "That Overtime should not be paid beyond the maximum weekly hours" was a clear limitation of the Code provisions in the opinion of the Author. It was a bad start on a complicated question. After the Code Authority once had this Interpretation, it resisted to the end of the Code, every provision in later Exemptions and Stays that provided for overtime beyond weekly hours.

3. Exemptions and Stays

Exemptions and Stays are hereinafter grouped as follows:

a. Miscellaneous Exemptions to individual companies because of shortage of certain classes of labor in each case.

b. Extensions of Section 3 (c) of the Code pertaining to Designers and Loftsmen.

c. Stay of Sections (a) and (b) pertaining to emergency work.

d. Stay of Sections (a) and (b) pertaining to Trials.

e. Exemptions pertaining to San Francisco Bay Area.

f. Protest of Shipbuilding and Shiprepairing Industry Committee against provisions in exemption and stay Orders requiring payment for overtime beyond the maximum weekly hour provisions of the Code.

a. Miscellaneous Exemptions

Administrative Order 2-6, March 1, 1934, signed by K. M. Simpson, Division Administrator, Division I, and recommended by J. B. Weaver, Division Administrator, (Reference: Code Record Section, Exemptions, Deputy's Files and Exhibit K-6, Appendix). The Order was granted as per the following excerpt:

"Approval of application of Jutton-Kelly Company for exemption from the provisions of Article 3, Section (b)

"An application having been duly made by the Jutton-Kelly Company, Field Office, of Genoa, Wisconsin, for an exemption from the provisions of Article 3, Section (b), of the Code of Fair Competition for said Industry, for ship carpenters, ship caulkers and ship carpenter helpers employed in the construction of two barges to be used in floating their equipment needed in the construction of Lock No. 8 on the Mississippi River at Genoa, Wisconsin, to allow the above employees to work forty-eight (48) hours per week for a period of not to exceed three weeks from the date of this order, and finding that justice requires that said application be granted, provided that overtime is paid at the rate of time and one-half for all hours in excess of forty (40) hours per week."

Administrative Order 2-7, March 10, 1934 signed for K. M. Simpson, Division Administrator, Division I, by Beverly Ober, Executive Assistant, Division I, and recommended by J. B. Weaver, Deputy Administrator, (Reference: Code Record Section, Exemptions, Deputy's Files, and Exhibit K-7, Appendix). The order was granted as per the following excerpt:

"Approval of application of Newport News Shipbuilding and Dry Dock Company for exception from the provisions of Article 3, Section (b)

"An application having been duly made by the Newport News Shipbuild-

ing and Dry Dock Company, Newport News, Virginia, for an exception for employees working on Aircraft Carrier No. 4, the 'RANGER', from the provisions of Article III, Section (b) of the Code of Fair Competition for said Industry, to allow the employees to work forty-four (44) hours per week until the 'RANGER' has been delivered to the United States Government, and finding that justice requires that said application be granted to certain employees, namely: electricians not to exceed one hundred (100) in number whose rates of pay are in excess of sixty (60) cents per hour, and mechanics from the Plumbing Department, not to exceed fifty (50) in number, whose work is necessary and in conjunction with that of the electricians herein excepted;"

Administrative Order 2-16, May 4, 1934, signed by K. M. Simpson, Division Administrator, Division I, and recommended by J. B. Weaver, Deputy Administrator, (Reference: Code Record Section, Exemptions, Deputy's Files, and Exhibit K-16, Appendix). The Order was granted as per the following excerpt:

"Approval of application of Manitowoc Shipbuilding Corporation, Manitowoc, Wisconsin, for exemption from the provisions of Part 3, Paragraph (b) of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, as amended.

"NOW, THEREFORE, pursuant to authority vested in me by the Administrator for Industrial Recovery, and otherwise, it is hereby ordered that the said application for exemption be and it is hereby granted to the extent of permitting caulkers engaged in work on the United States Coast Guard Boat 'Escanaba' to work in excess of forty (40) hours per week, for a period of one (1) week from and after the date of this order, the wage paid to be at the rate of not less than one and one-half (1½) times the regular hourly rate for time worked in excess of forty (40) hours per week."

Administrative Order 2-19, June 25, 1934, signed by C. E. Adams, Division Administrator, Division I, and recommended by J. B. Weaver, Deputy Administrator, (Reference: Code Record Section, Exemptions, Deputy's Files, and Exhibit K-19, Appendix). The order was granted as per the following excerpt:

"Granting Application of St. Louis Car Company, St. Louis, Missouri, for an Exemption from the Provisions of Part 3, paragraph (a).

"WHEREAS, an application has been made by the above-named applicant for an exemption from the provisions of Part 3, paragraph (a), of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, as amended; and

"NOW, THEREFORE, pursuant to authority vested in me, it is hereby ordered that the above-named applicant be and it hereby is exempted from said provisions of said Code, as amended, to the extent of permitting riveters, caulkers, sand blasters and welders engaged in constructing steel pontoons for U.S. Engineers, Memphis, Tennessee, to work a maximum of fifty-six (56) hours per week for a period of two weeks ending June 30, 1934, the wage paid to be at the rate of not less than one

and one-half (1½) times the regular hourly or piece-work rate for time worked in excess of thirty-six (36) hours per week."

Administrative Order 2-25, November 17, 1934, signed by Barton W. Murray, Division Administrator, Division 2, recommended by W. W. Rose, Deputy Administrator, and memorandum and recommendation by H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Code Record Section, Exemptions, Deputy's Files, and Exhibit K-25, Appendix).

"Granting Application of Marietta Manufacturing Company, Point Pleasant, West Virginia, for a Temporary Exemption from the Provisions of Part 3, paragraph (a), of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, as Amended.

"NOW, THEREFORE, pursuant to authority vested in the National Industrial Recovery Board, it is hereby ordered that the above-named applicant be and it hereby is exempted, as of the date of this Order, and for a period of ninety (90) days thereafter, from said provisions of said Code, as amended, but only to the extent of permitting employees engaged in the trades of pipe coverers, sheet metal workers and their helpers to be worked a maximum of forty (40) hours in any week during said 90-day period; provided, that said employees shall be compensated at the rate of not less than one and one-half times the regular hourly rate of pay for time worked in excess of thirty-six (36) hours in any week. The temporary exemption herein granted is subject to cancellation prior to the expiration of said 90-day period in the event of a showing of proper cause therefor."

b. Extensions of Section 3 (c) of the Code pertaining to Designers and Loftsmen

Administrative Order 2-3, February 1, 1934, signed by Hugh S. Johnson, Administrator, and approval recommended by K. M. Simpson, Division Administrator, Division I, and memorandum and recommendation by W. H. Davis, Deputy Administrator. (Reference: Code Record Section, Exemptions, Deputy's Files, and Exhibit K-3, Appendix). The Order was granted as per the following excerpt:

"EXTENDING PROVISIONS OF SECTION 3, SUB-SECTION (c) OF CODE OF FAIR COMPETITION FOR THE SHIPBUILDING AND SHIPREPAIRING INDUSTRY

"A Code of Fair Competition for the Shipbuilding and Shiprepairing Industry having been approved by the President July 26, 1933, said Code providing in Section 3, Sub-Section (c) that for a period of six (6) months exemption from the maximum hours provided in said Code may be made for employees of that Industry engaged in necessary preparatory work to start new ship construction, and upon consideration of a memorandum from the Deputy Administrator, dated January 26, 1934, approved by the Division Administrator, recommending that favorable action be taken:

"NOW, THEREFORE, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to the authority vested in me by Executive Order

No. 6543-A, dated December 30, 1933, do hereby grant an extension of the provisions of Section 3, Sub-Section (c) of the said Code of Fair Competition for a period of three months from and after February 5, 1934. The Administrator reserves the right to stay this order if adequate cause therefor is shown to him by anyone within a period of ten (10) days from February 5, 1934."

Administrative Order 2-17, May 4, 1934, signed by Hugh S. Johnson, Administrator, approval recommended by K. M. Simpson, Division Administrator, Division I, and memorandum and recommendation by J. B. Weaver, Deputy Administrator. (Reference: Code Record Section, Exemptions, Deputy's Files and Exhibit K-17, Appendix) The order was granted as per the following excerpt:

"EXTENDING PROVISIONS OF SECTION 3, SUB-SECTION (c) OF THE CODE OF FAIR COMPETITION FOR THE SHIPBUILDING AND SHIPREPAIRING INDUSTRY

"NOW, THEREFORE, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to the authority vested in me by Executive Order No. 6543-A, of December 20, 1933, do hereby grant a further extension of the provisions of Section 3, Sub-Section (c) of the said Code of Fair Competition for a period of six (6) months from and after May 5, 1934, only to the extent, however, of exempting designers and mold loftmen, Provided, however, That designers and mold loftmen shall not be permitted to work in excess of forty-four (44) hours per week. The Administrator reserves the right to stay this order if adequate cause is shown to him by anyone within a period of ten (10) days from May 5, 1934."

Administrative Order 2-24, November 14, 1934, signed by W. A. Harriman, Administrative Officer, recommended by Barton W. Murray, Division Administrator, Division 2, memorandum and recommendation by H. Newton Whittelsey, Assistant Deputy Administrator, approved by W. W. Rose, Deputy Administrator. (Reference: Code Record Section, Exemptions, Deputy's Files, and Exhibit K-24, Appendix). Excerpts from the Order are as follows:

"Granting Further Extension of Provisions of Section 3, Sub-Section (c).

"NOW, THEREFORE, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6859, and otherwise, does hereby order that the provisions of Section 3, Sub-Section (c), of said Code be, and they are hereby extended for a period of thirty (30) days from and after November 5, 1934, only to the extent, however, of exempting designers and mold loftmen: Provided, however, that designers and mold loftmen shall not be permitted to work in excess of forty-four (44) hours per week, and provided further that all time worked in excess of thirty-six (36) hours per week shall be compensated for at the rate of one and one-half times the regular hourly rate."

This Order was originally signed by Mr. Harriman November 7, but his signature was withdrawn November 8 and finally made effective November 14. The Shipbuilders protested the time and a half beyond maximum weekly hours provision in the order; therefore, the Author, Assistant Deputy Whittelsey, addressed memoranda of November 9 and November 13 to Barton W. Murray, Division Administrator, which were forwarded to Mr. Harriman, setting forth the necessity for the provision (the increase of employment and the discouragement of excess overtime). (Reference: Exemption Folder, Deputy's Files and inside cover of Deputy's copy of Order in Deputy's files).

Reference is made to the memorandum November 2, 1934, to W. A. Harriman, Administrative Officer, from H. Newton Whittelsey, Assistant Deputy Administrator, (Reference: Order 2-24, Volume, Code Record Section and Deputy's Files) of which the following is excerpted:

"1. The Code, Section 3, Sub-Section (c), provides:

> 'For a period of six (6) months exception may be made in the number of hours of employment for the employees of the Shipbuilders engaged in designing, engineering and in mold loft and other departments and such others as are necessary for the preparation of plans and ordering of materials to start work on new ship construction, but in no event shall the number of hours worked be in excess of forty-eight (48) hours per week, and in no case or class of cases not approved by the Planning and Fair Practice Committee provided for in Section (8).'

"2. In addition to the original extension of six (6) months provided in the Code, there has been granted a further three (3) months extension and a still further six (6) months extension of this provision, the latter extension expiring Nov. 5, 1934.

"3. The Shipbuilding and Shiprepairing Industry Committee has made application for a further extension of seven and one-half (7½) months of this provision of the Code.

"5. The time period as between the actual receipt of this application for extension and the expiration of the present order, Nov. 5, 1934, was insufficient to make an adequate examination of the matter, and, therefore, an equitable determination on the application for seven and one-half (7½) months extension.

"6. The Code Legal Adviser recommends a thirty (30) day extension with time and one-half for overtime.

"7. Research and Planning Division (Economic Adviser) recommends denial of extension for seven and one-half (7½) months.

"8. The Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry has under the circumstances unanimously voted to grant an extension for thirty (30) days, during which time proper investigation can be made. I concur in this for designers and mold

loftsmen, but with time and one-half paid for overtime. It appears advisable and necessary thus to duly recompense such employees and to induce by such overtime provision the increase of employment. Other exemptions for skilled and unskilled labor have provided time and one-half for overtime.

"9. The Acting Secretary of the Navy in the memorandum to the National Industrial Recovery Board urges the necessity of further extension of time and the memorandum from Captain Henry Williams (C.C.) of the Navy further details such necessity. The reply to the last memorandum by W. W. Rose, Deputy Administrator, is concurred in by the writer as a suitable analysis pending ample investigation.

"10. The Shipbuilding and Shiprepairing Industry Committee's letter of October 30, 1934, sets forth that on July 1, 1933, there were 894 draftsmen and loftsmen on Naval work and at the present time there are 1210. The said letter further sets forth excerpts from letters of principal shipbuilding companies building Naval vessels. These excerpts allege that they have employed draftsmen and loftsmen to the fullest extent of their present capacity in drawing room and mold loft space, and further that the difficulty is largely the lack of skilled men to lead the less skilled.

"11. In view of the emergency existent, I recommend an extension for thirty (30) days after Nov. 5, 1934, of the provisions of Section 3, Sub-Section (c), of the Code, only to the extent, however, of exempting designers and mold loftsmen; provided, however, that designers and mold loftsmen shall not be permitted to work in excess of forty-four (44) hours per week, and provided further that all time worked in excess of thirty-six (36) hours per week shall be compensated for at the rate of one and one-half times the regular hourly rate."

Administrative Order 2-28, December 29, 1934, signed by W. A. Harriman, Administrative Officer, recommended by Barton W. Murray, Division Administrator, Division 2, memorandum and recommendation by H. Newton Whittelsey, Assistant Deputy Administrator, approved by W. W. Rose, Deputy Administrator. (Reference: Code Record Section, Exemption Folder, Deputy's Files and Exhibit K-28, Appendix). Excerpts from the Order are as follows:

"Denying Blanket Extension of Section 3, Subsection (c) of the Code and Granting Extension thereof with limitations and conditions to the Newport News Shipbuilding and Dry Dock Company, the Bethlehem Shipbuilding Corporation and the New York Shipbuilding Corporation.

"WHEREAS, the Chairman of the Shipbuilding and Shiprepairing Industry Committee submitted to the Administration a letter dated November 24, 1934, setting forth a resolution of the Shipbuilding and Shiprepairing Industry Committee adopted November 22, 1934, requesting a further extension from and after December 4, 1934, for a period of six and one-half (6½) months of Section 3, Sub-Section (c), of the Code; and .....

"NOW, THEREFORE, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order 6859, and otherwise, does hereby order:

"1. That the application of the Shipbuilding and Shiprepairing Industry Committee for a blanket extension of Section 3, Sub-Section (c) of the Code for a period of six and one-half (6½) months from and after December 4, 1934, be, and it hereby is denied;

"2. That the Newport News Shipbuilding and Dry Dock Company designing Aircraft Carriers CB5 and CB6 and the Bethlehem Shipbuilding Corporation designing Heavy Cruisers CA 36 and CA 34 be, and they hereby are granted an extension of Section 3, Sub-Section (c) of the Code for a period of four (4) months from December 5, 1934 only to the extent, however, of exempting designers to work on designs hereinbefore named; provided, however, that such designers shall not be permitted to work in excess of forty (40) hours per week, and provided further, that if an employee works in excess of eight (8) hours in any one day or in excess of thirty-six (36) hours in any one week he shall be paid at the rate of at least one and one-half (1½) times his regular hourly rate for overtime so worked; however, in the computation of pay when an employee works during any one week overtime in excess of both eight (8) hours per day and thirty-six (36) hours per week, the overtime pay shall not be compounded by addition of both daily and weekly overtime, but the employee shall be paid either the sum of the overtime pay earned during the overtime days or the overtime pay earned during the overtime week, which ever is the higher for said week; and

"3. That the New York Shipbuilding Corporation designing Light Cruisers CL40-43 be, and it hereby is granted an extension of Section 3, Sub-Section (c) of the Code for a period of four (4) months from December 5, 1934 only to the extent, however, of exempting designers to work on the design hereinbefore named; provided, however, that such designers shall not be permitted to work in excess of forty-four (44) hours per week; and, provided further, that if an employee works in excess of eight (8) hours in any one day or in excess of thirty-six (36) hours in any one week he shall be paid at the rate of at least one and one-half (1½) times his regular hourly rate for overtime so worked; however, in the computation of pay when an employee works during any one week overtime in excess of both eight (8) hours per day and thirty-six (36) hours per week, the overtime pay shall not be compounded by addition of both daily and weekly overtime, but the employee shall be paid either the sum of the overtime pay earned during the overtime days or the overtime pay earned during the overtime week, whichever is the higher for said week."

Reference is made to the memorandum December 18, 1934, to W. A. Harriman, Administrative Officer, from H. Newton Whittelsey, Assistant Deputy Adminstrator, (Reference: Order 3-28, Volume, Code Record Section and Deputy's Files) of which the following is excerpted:

"4. The Code provided a six (6) months exception and the Administration granted further Extensions of three (3) months, six, (6) months and thirty (30) days, respectively.

"5. The Shipbuilding and Shiprepairing Industry was granted an interpretation on this Section of the Code, Order No. 3-27, December, 13, 1934, to the effect that the six ( ) months exception begins on the date the order is placed for each new ship.

"8. Employment is 1210 as of October 30, 1934, designers and loftsmen 894 as of July 1, 1933, an increase of only 35% .

"9. Average time worked per week over a period of sixteen months is about 4[illegible] hours. Time worked during the last six months is 44 hours. Estimated increase employment required to maintain the present progress of designers on a 36 hour basis about 300 men and on a 40 hour basis 150 men.

"10. Naval contracts for shipbuilding in private yards $131,728,600. Designs for these ships are not only being made for the private yards but also for a program of about like cost building in the Government Navy yards.

"11. Shipbuilding and Shiprepairing Industry Committee letter of November 24, 1934, requests Extension of six and one-half (6½) months from December 4, 1934, takes exception to paying overtime beyond thirty-six (36) hours per week and sets forth the Shipbuilder's' interpretation of Section 3 (c) of the Code, which interpretation was approved in substance by the Administration.

"12. Navy Department letters from the Hon. H. L. Roosevelt, Acting Secretary of the Navy, of October 24, 1934 and from Capt. Henry Williams (C.C.) U. S. N. of Octover 30, 1934, recommend a further Extension and set forth the shortage of experienced designers and the impossibility of immediate employment sufficient to make up the man hours lost by the reduction of the weekly hours.

"13. (a) Navy Department letter from Captain Henry Williams (C.C.) U. S. N., dated December 18, 1934, sets forth the definite progress on the six (6) designs of the 1933 program. This data indicated that all designs with an employment of a 44 to 48 hour basis are substantially on the projected progress program, except C140-43, 46-48 Light Cruisers, New York Shipbuilding Company estimated percentage 65, with actual percentage 44%. This latter design is 21% behind schedule and is to be supplied to the New York Navy Yard, the Philadelphia Navy Yard and the Newport News Shipbuilding Company for the construction of the same class.

(b) The letter further states that the Navy Department hesitates to enter into the discussion but prefers the question be settled

by N. R. A. in accordance with the National policy. This may be translated into "in accordance with the National Defense" and further offers the opinion that greater progress in construction and employment including draftsmen, would have been made on a 40 hour week from the outset and also greater progress in the future may be expected from a 40 hour week.

"14. Letters from the four major private shipyards of the seven private shipyards building Naval vessels set forth their employment condition regarding design and moldloft, and argue as to the necessity of a further Extension.

"16. (a) Incorporated by reference to file containing data from the U. S. Dept. of Labor, U. S. C. Service Commission, Technical Societies, Universities and Employees Committee listing eight hundred and forty-nine (849) engineers, designers and loftsmen.

(b) The list contains a large number of highly trained engineers of experience who could be adapted to ship work; many highly qualified Marine designers and also beginners and over fifty (50) shipyard draftsmen known to the designers of the United Dry Docks, Inc, For the most part the names, addresses, classifications, experience are shown on these lists. There appears little doubt but that designers are available at proper recompense.

"23. National Defense and Maximum Increase of Employment of this ship construction must be the basis of the determination on this request for extension and both are coincident and will be as the program progresses. An increase of man-hours worked on designs, whether through increase of employment of designers or increase of their hours, will act for the benefit of the National Defense and the shortening of the period to Maximum Construction Employment may be twenty to one at the peak of the construction time.

"24. National Defense and Increase of Employment will be best served by a plan which will act to aid and not retard the progress of the designing. Reference is made to letter of the Navy Department dated Dec. 18, 1934, setting forth the actual progress made on the designs for the 1933 program. This letter indicates that a blanket Extension of Section 3 (c) of the Code is not necessary in this instance even for the shipyards building Naval vessels and no facts have been submitted, or do I know, of any major commercial contracts placed with the shipyards which would require permission to work beyond 36 hours per week on designs.

"26. (a) Time and one-half for overtime beyond 36 hours per week has been actively protested by the Shipbuilders and they have pointed out that where the Code provides for time and one-half beyond eight hours per day and an Order provides for time and one-half beyond 36 hours a week, that the overtime paid may be compounded. Examination of the matter discloses that their point is well taken.

(b) A suitable clause pertaining to overtime beyond eight

hours per day and 36 hours per week, designed to prevent compounding, was drawn and sent to all advisory Boards and the Legal Division, Suggestions and criticisms were duly received, all of which were submitted to Review together with the original draft and Review edited a suitable finished clause which may be used wherever Orders provide for overtime beyond eight hours per day and 36 hours per week as in this case.

The clause just referred to is as follows:

> "and, provided further, that if an employee works in excess of eight (8) hours in any one day or in excess of thirty-six (36) hours in any one week he shall be paid at the rate of at least one and one-half($1\frac{1}{2}$) times his regular hourly rate for overtime so worked; however, in the computation of pay when an employee workes during any one week overtime in excess of both eight (8) hours per day and thirty-six (36) hours per week, the overtime pay shall not be compounded by addition of both daily and weekly overtime, but the employee shall be paid either the sum of the overtime pay earned during the overtime days or the overtime pay earned during the overtime week, whichever is the higher for said week."

Administrative Order 2-33, April 13, 1935, signed by Barton W. Murray, Division Administrator, Division 2, recommended by W. W. Rose, Deputy Administrator, memorandum and recommendation by H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Code Record Section, Deputy's Files, and Exhibit K-33, Appendix.)

This Order pertained to the 1934 Naval building program, except in one case of the New York Shipbuilding Corporation, whereas all the orders previously cited under this heading pertained to the 1933 program. Excerpts from the Order are as follows:

"Granting Exemption from Part 3 (a) of the Code of the New York Shipbuilding Corporation, Electric Boat Company and the Bethlehem Shipbuilding Corporation, to permit designers to exceed the maximum hours of the Code on certain Naval shipbuilding designs.

"WHEREAS, Administrative Order 2-27 interpreted Part 3 (c) as follows:

> 'The six months' exception permitted under Sub-section (c) of Section 3 of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry begins on the date the order is placed for each new ship'; and

WHEREAS, the Navy Department reports the contracts let and the dates thereof to respective shipyards as follows:

Ship	Contractor	Date of Contract
CL-46	New York Shipbuilding Corp.	22 August 1934
SS-176	Electric Boat Company	22 August 1934
SS-177	Electric Boat Company	22 August 1934
SS-178	Electric Boat Company	22 August 1934
DD-380	Bethlehem Shipbuilding Corp.	2 October 1934
DD-382	Bethlehem Shipbuilding Corp.	2 October 1934 and

"WHEREAS, Administrative Order 2-28 granted to New York Shipbuilding Corporation permission to work designers on light cruiser design CL40-43 for a period of four (4) months from December 5, 1934, which extension terminates April 5, 1935;

"WHEREAS, The Chairman of the Shipbuilding and Shiprepairing Industry Committee transmitted by letter dated February 23, 1935, a resolution of the Shipbuilding and Shiprepairing Industry Committee requesting extension of Part 3 (c) of the Code for the above named shipyards; and

"NOW THEREFORE, The National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order 6859, and otherwise, does hereby order:

"That the New York Shipbuilding Corporation, designing 1933 class of light cruisers CL40-43, be and it is hereby granted an exemption from Part 3 (a) of the Code, as amended, for a period beginning April 5, 1935, to June 16, 1935, only to the extent, however, of permitting employers to employ designers to work on designs of the vessels hereinbefore named; and

"That the New York Shipbuilding Corporation, designing 1934 class of light cruiser CL46, be and it is hereby granted an exemption from Part 3 (a) of the Code, as amended, for a period beginning April 5, 1935, to June 16, 1935, only to the extent, however, of permitting employers to employ designers to work on design of the vessel hereinbefore named; and

"That the Electric Boat Company, designing submarines SS176, SS177 and SS178, be and it is hereby granted an exemption from Part 3 (a) of the Code, as amended, for a period beginning April 5, 1935, to June 16, 1935, only to the extent, however, of permitting employers to employ designers to work on designs of the vessels hereinbefore named; and

"That the Bethlehem Shipbuilding Corporation, designing 1934 class of destroyers DD380 and DD382, be and it is hereby granted an exemption from Part 3(a) of the Code, as amended, for a period beginning April 5, 1935, to June 16, 1935, only to the extent, however, of permitting employers to employ designers to work on designs of vessels hereinbefore named;

"PROVIDED, HOWEVER, that employers shall not employ designers to

work in excess of forty-four (44) hours per week, and provided, further, that if an employee on an hourly rate works in excess of eight (8) hours in any one day or in excess of the maximum hours permitted by the Code to be worked in any one week, he shall be paid at the rate of at least one and one-half (1½) times his regular hourly rate for overtime so worked; and, provided further, that in the computation of pay of such an employee whose overtime in any one week is in excess of both eight (8) hours per day and the maximum hours permitted by the Code to be worked in any one week, the overtime pay shall not be compounded by addition of both daily and weekly overtime, but the employee shall be paid either the sum of overtime pay earned during the overtime days or the overtime pay earned during the overtime week, whichever is the higher for said week; and"

Reference is made to memorandum March 11, 1935, to Barton W. Murray, Division Administrator, Division 2, from H. Newton Whittelsey, Assistant Deputy Administrator, (Reference: Order, Volume, Code Record Section, and Deputy's Files) of which the following is excerpted:

"3. The Shipbuilding and Shiprepairing Industry Committee by resolution has requested an extension of Section 3 (c) of the Code to permit the Bethlehem Shipbuilding Corporation, Electric Boat Co., and the New York Shipbuilding Corp. to employ designers and loftsmen to exceed the maximum hour provisions of the Code on Naval contracts taken in 1934 for a period beginning six (6) months after signing of such contracts and also a provisional request for the New York Shipbuilding Company on two (2) contracts (of one class) of the 1933 program, which latter contracts, however, are of the same class as the contract taken by the same shipbuilding company for the 1934 program.

"(a) The said light cruiser designs are of the 1933 Naval program. This class of vessel is being build not only by the New York Shipbuilding Corp., but by the New York Navy Yard and the Philadelphia Navy Yard from the designs of the shipbuilding company. This exemption expires April 5, 1935.

"Reference is made to the memorandum of the Navy Department of December 18, 1934, which sets forth the dates that the following contracts were let to the respective shipyards:

Ship	Contractor	Date of Contract
CL-46	New York Shipbuilding Corp.	22 August 1934
SS-176	Electric Boat Co.	22 August 1934
SS-177	Electric Boat Co.	22 August 1934
SS-178	Electric Boat Co.	22 August 1934
DD-380	Bethlehem SB Corp. Fore River	2 October 1934
DD-382	Bethlehem SB Corp. Fore River	2 October 1934

"8. Reference is made to memorandum from the Navy Department, dated March 8, from which the following is an excerpt:

"Vessels	Contractor	Estimate		Actual	
		Hull	Machinery	Hull	Machinery
CL 42 43 Light Cruisers	N. Y. Shipbuilding Corporation Camden, N. J.	62%	-	54.6%	56.2%

'These figures are based on man-hours of drafting work and not on completed plans issued to the yard."

"9. Reference is made to the resolution of the Shipbuilding and Shiprepairing Industry Committee, which sets forth that it is necessary to the progress of preliminary work on the aforesaid Naval contracts, upon which the rapid employment of men on the contracts of these vessels depends, that there should be a further extension for a period of four (4) months, of paragraph 3 (c) of the Code.

"10. Reference is made to letter of February 7 from the Chairman of the Shipbuilding and Shiprepairing Industry Committee, which sets forth the argument of the shipyards for which the request as contained in their respective letters. It is noted that the Newport News Shipbuilding and Drydock Co., the Federal Shipbuilding and Drydock Co., and the United Shipbuilding and Drydock Co., who also took contracts of the 1934 program, have not made requests for the extension of this section of the Code.

"11. Reference is made to letter of the Bethlehem Shipbuilding Company, which sets forth the following:

(a) That it is the desire of the Navy Dept. as expressed in contracts for Naval work that the contractors make every possible effort to expedite the work during the first and second years of the contract time in order that employment may be increased. Employment in the yards is dependent upon the production of the plans; that the creative effort involved in this work precludes the use of shifts, thus making the hours which the designer or skilled draftsman can apply to his task the limiting factor in plan completion. Additional men will not relieve the situation.

"(b) That the six months' period from the signing of the contract is not sufficient to accomplish the desired results, and that they refer to their letter of April 13, in which it was suggested that the forty-eight (48) hour week should be effective for 30% of the contract time (that is the time within which the vessels are to be built).

"14. (a) Reference is made to letter of the Navy Department dated February 12, 1935, of which the following is an excerpt. It sets forth the progress of design on the vessels contracted for in the 1934 program.

Vessels	Contractor	Hull	Mach.	Hull	Mach.
DD380, 382 2 destroyers	Bethlehem Shipbuilding Corporation, Quincy, Mass.	9%	16%	9%	2%
CL 46 1 light cruiser	New York Shipbuilding Corp., Camden, N. J.	9%	39.5%	36.9%	40%
SS176-178 3 submarines	Electric Boat Company Groton, Conn.	15%	-	33.3%	-

"15. Employment is 1210 designers as against 894 in 1933, an increase of 35%. This force is working on the 1933 and 1934 program.

"16. Reference is made to memorandum from the U. S. Department of Labor setting forth the available ship draftsmen and mold loftsmen in the principal shipbuilding districts where Naval vessels are under construction. The total of these is less than 10% of the total employment.

"17. This office carefully investigated the availability of suitable engineers and draftsmen in November and December, 1934, prior to the issuance of Administrative Order 2-28, which pertained particularly to 1933 contracts. Lists of a considerable number of electrical, civil and mechanical engineers were obtained.

"However, the difficulty now appears to be that only special, highly trained men in naval ship design can be usefully added to the present forces. This aspect has been pointed out in conference by the representatives of each of the shipyards and is set forth in the letter of Bethlehem Shipbuilding Corp. attached hereto.

C. Stays of Section 3 (a) and (b) of the Code pertaining to Emergency Work

Administrative Order 2-31, February 19, 1935, signed by W. A. Harriman, Administrative Officer, recommended by Barton W. Murray, Division Administrator, Division 2, memorandum and recommendation by H. Newton Whittelsey, Assistant Deputy Administrator, and approved by W. W. Rose, Deputy Administrator (Reference: Code Record Section and Exemptions, Stays Folder, Deputy's Files, and Exhibit K-31, Appendix). Excerpts from the Order are as follows:

"Granting application for partial stay of the maximum hours provisions of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, contained in Part 3, Paragraphs (a) and (b), to permit emergency work.

"WHEREAS, the Shipbuilding and Shiprepairing Industry Committee, through its Chairman, has made a request for a partial stay of the above provisions of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry to an extent which will permit emergency work on vessels when there is a danger or menace to the safety of the vessel, to life, or to property, or when a delay would work an undue

hardship; and

"NOW, THEREFORE, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order 6859, and otherwise, does hereby order:

"That a partial stay of the maximum hour provisions of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry contained in Part 3, paragraphs (a) and (b) as amended, be and hereby is granted for a period of sixty (60) days from the date hereof to the extent of permitting employers to employ employees in excess of the maximum hour provisions of the Code when they are employed in emergency work involving danger or menace to the safety of a vessel, to life, or to property, or when a delay would would an undue hardship on the owner or the shippers or the passengers through loss of use of a vessel for prompt loading or discharge or prompt and safe carriage of cargo or passengers to destination.

"PROVIDED, HOWEVER, that if an employee on an hourly rate works in excess of eight (8) hours in any one day or in excess of the maximum hours permitted by the Code to be worked in any one week, he shall be paid at the rate of at least one and one-half (1½) times his regular hourly rate for overtime so worked; and, provided further, that in the computation of pay of such an employee whose overtime in any one week is in excess of both eight (8) hours per day and the maximum hours permitted by the Code to be worked in any one week, the overtime pay shall not be compounded by addition of both daily and weekly overtime, but the employee shall be paid either the sum of the overtime pay earned during the overtime days or the overtime pay earned during the overtime week, whichever is the higher for said week; and

"PROVIDED, FURTHER, that this partial stay shall not be used for the purpose of decreasing employment or for reclassification of employees at a lower rate; and

"PROVIDED, FURTHER, that in each case when maximum hours specified in the Code provisions are exceeded, the facts and circumstances shall within five (5) days of the ending of the week during which such overtime work was performed, be reported to the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry on duly notarized forms stipulated by said Industrial Relations Committee. A copy of such report shall be sent to the Code Authority."

Reference is made to memorandum January 31, 1935, to W. A. Harriman, Administrative Officer, from H. Newton Whittelsey, Assistant Deputy Administrator, (Reference: Order 2-31, Volume, Code Record Section, and Deputy's Files) from which excerpts are as follows:

"2. The Shipbuilding and Shiprepairing Industry Committee, through its Chairman, has made a request for an exemption from the above provisions of the Code to permit emergency work.

"4. Emergency work on ships has always been necessary where there has been a danger or menace to safety of a vessel, life or property, or when a delay would work an undue hardship on the owner or shippers or passengers through loss of use of a vessel for prompt loading or discharge or prompt and safe carriage of cargo or passengers to destination.

(a) A ship is our most complicated unit of transportation. It may embody the capacity of a warehouse, have accomodations of a hotel, a propelling plant capacity of a power plant, and must be a structure to resist the stresses of the sea with sea-going qualities to withstand the forces of the storm waves of the ocean, and be suitable for propulsion.

"(b) It not only represents a large investment of capital but is used by a multitude of shippers and hundreds of passengers for transportation. The prompt and safe carriage of the goods or passengers and prompt discharge at destination is vital to the interests and welfare of a large number of people. Otherwise goods may be seriously delayed in distribution, passengers delayed, some of whom may have vital transportation connections to make or important financial or business appointments to keep and further, the loading docks soon pile up in congestion with goods for transportation when a ship is delayed in taking on cargo.

"(c) Emergency repairs, always have been and always must be made with the utmost speed. Emergency work here contemplated, is of a kind that cannot be successfully performed by second or third shifts of men. Where such shifts can be used, work so performed would not come under the title of "emergency work", nor would usual repairs and overhauls.

"(d) Such emergency work may be required on the lining of propeller shafts in cases where one foreman and crew must be maintained on the job until it is completed as the work may be largely of a trial and correct the error method. Such shafting may be 150 feet long and 15 inches in diameter or larger, supported by tail bearings and stuffing box and many line bearings, all of which must be properly lined with due regard to the flexing of the vessel. Many other operations may also be of a nature that would require the work of one foreman and crew to perform such as certain repairs of propelling machinery or important auxiliary machinery, repairs to boilers, blower equipment and the like, or repairs to steering gears or electrical installations, especially on ships highly electrified. Also certain hull repairs for damage received entering or leaving port. Emergency repairs may be necessary where no danger to the ship, life or property may be determined beforehand such as repairs to ventilating systems for ships sailing to hot countries where the

health and comfort of passengers may be vitally affected, or perishable cargoes spoiled.

"(e) Emergency repairs of all kinds cannot be defined beforehand; therefore, the Order for the Partial Stay herewith contains provisions to prevent abuse, in that, at least time and a half is provided for overtime and notarized reports are required to be made by the shipyards to the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry on each emergency contract worked. The Industrial Relations Committee, composed of three labor representatives and three industry representatives, are a capable committee to judge the necessity for emergency work. It is expected that this Committee will file charges of violations of the Code in the event of any abuse of this Partial Stay by any shipyard.

"(f) Experience indicates that such emergency repairs as herein contemplated, will average one per month for each of twenty-five (25) major shiprepairing plants and one per year for one hundred (100) medium size plants of the two hundred and forty-six (246) plants which have assented to the Code. A Partial Stay has been drawn instead of an exemption in order to provide for this situation.

"(g) Application has been received from the Code Authority for an amendment to the Code to permit emergency repairs on vessels. Therefore, this Partial Stay is drawn for only a period of sixty (60) days during which time it is proposed to make up the case for the granting of the amendment.

"5. The Shipbuilding Industry since November 8, 1933, has been working on the supposed authority of the Shipbuilding and Shiprepairing Industry Committee (Code Committee) to permit such emergency work. However, the Code was never properly amended, nor was an exemption requested, or granted by the Administration. For this reason I advised the Code Committee that I could find no adequate authority for the Industry to continue to exceed the maximum weekly hours of the Code on emergency work. I advised them further that the Code might be amended and while an amendment was under consideration, a temporary exemption might be granted."

Administrative Order 2-34, May 2, 1935, signed by W. A. Harriman, Administrative Officer, recommended by Barton W. Murray, Division Administrator, Division 2, memorandum and recommendation by H. Newton Whittelsey, Assistant Deputy Administrator, approved by W. W. Rose, Deputy Administrator. (Reference: Code Record Section, Deputy's Files, and Exhibit H-34, Appendix.) Excerpts from the Order are as follows:

"Granting stay, upon application for extension of Administrative Order 2-31, dated February 19, 1935, granted for sixty (60) days, terminating April 20, 1935, of the maximum hour provisions of the Code Part 3, Paragraphs (a) and (b), as amended, to permit emergency work.

"WHEREAS, the Shipbuilding and Shiprepairing Industry Committee through its Chairman has made a request for an extension of the partial stay, Administrative Order 2-31, dated February 19, 1935, granted for sixty (60) days, terminating April 20, 1935, of the maximum hour provisions of the Code, Part 3, Paragraphs (a) and (b), as amended, to permit emergency work, pending the determination of the appeal to the Industrial Appeals Board from Administrative Order 2-32, and pending the subsequent action on the amendment to the Code to permit emergency work; and

"NOW, THEREFORE, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order 6859, and otherwise, does hereby order:

"That a stay of the maximum hour provisions of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry contained in Part 3, Paragraphs (a) and (b), as amended, be and it hereby is granted for a period from April 20, 1935, to June 16, 1935, only to the extent of permitting employers to employ employees in excess of the maximum hour provisions of the Code, as amended, when they are employed in emergency work involving danger or menace to the safety of a vessel, to life, or to property, or when a delay would work an undue hardship on the owner or the shippers or the passengers through loss of use of a vessel for prompt loading or discharge or prompt and safe carriage of cargo or passengers to destination;

"PROVIDED, HOWEVER, that if an employee on an hourly rate works in excess of eight (8) hours in any one day or in excess of the maximum hours permitted by the Code, as amended, to be worked in any one week, he shall be paid at the rate of at least one and one-half (1½) times his regular hourly rate for overtime so worked; and provided, further, that in the computation of pay of such employee whose overtime in any one week is in excess of both eight (8) hours per day and the maximum hours permitted by the Code, as amended, to be worked in any one week, the overtime pay shall not be compounded by addition of both daily and weekly overtime, but the employee shall be paid either the sum of the overtime pay earned during the overtime days or the overtime pay earned during the overtime week, whichever is the higher for said week; and

"PROVIDED,FURTHER, that employers shall permit employees a rest period of not less than eight (8) hours between the termination of the last hour worked in any day and the beginning of the first hour worked in the succeeding day; provided, however, that if any employee is permitted to work during such rest period, he shall be paid at least time and one-half his regular hourly rate for the time so worked; and

"PROVIDED, FURTHER, that in each case when maximum hours specified in the provisions of the Code, as amended, are exceeded, the facts and circumstances shall, within five (5) days of the ending of the week during which such overtime work was performed, be reported to the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry on duly notarized form stipulated by said Industrial Relations Committee, and a copy of such report shall be sent to the Shipbuilding and Shiprepairing Industry Committee; and

"PROVIDED,FURTHER, that this Order is expressly subject to cancellation in the event of a subsequent showing of proper cause therefor."

Reference is made to memorandum April 17, 1935, to W. A. Harriman, Administrative Officer, from H. Newton Whittelsey, Assistant Deputy Administrator (Reference: Order 2-34,Volume,Code Record Section, and Deputy's Files).

"4. The Shipbuilding and Shiprepairing Industry Committee, through its Chairman, in its letter of April 8, 1935 sets forth the following:

(a) 'In view of the Industry's intention to appeal to the Industrial Appeals Board from the ruling laid down in Administrative Order 2-32, will you kindly have a further partial stay granted to the Shipbuilding and Shiprepairing Industry similar to that covered in Administrative Order 2-31.'

(b) It is requested that this stay may be granted to June 16, 1935 subject to cancellation if and when the proposed amendment to the Code defining emergency work is approved.'

"5. Further, the Shipbuilding and Shiprepairing Industry Committee, through its Chairman's letter dated April 8, requested that action on the amendment, submitted to the Administration to cover emergency work, be withheld until Administrative Order 2-32 has been acted upon by the Industrial Appeals Board.

"6. (a) Administrative Order 2-32 is the denial of a request from Industry to delete the time and one-half provision for overtime beyond the maximum weekly hours of the Code incorporated in six (6) exemptions and partial stays granted. The findings of the Industrial Appeals Board are necessary, as they directly affect a condition that may be incorporated by the Administration in the approval of the amendment submitted to permit emergency work.

"15. There has been brought to the attention of the Administration an abuse by a member of this Industry, that deserves consideration with a view of adopting means to prevent its recurrence.

"(a) A certain company on the Gulf Coast in the Operation of docking a vessel and work thereon worked its employees from four o'clock in the afternoon to twelve midnight, and from twelve midnight until eight the next morning, and did not pay overtime for the period worked from midnight to eight A. M. The reason given was that the second eight hours were in the successive day.

"(b) This matter was called to the attention of the Shipbuilding and Shiprepairing Industry at their last meeting. It was generally deplored by the members of that Committee. One of the members of that Committee by letter has suggested a rest period as a suitable corrective means.

"(c) In the dry-docking of ships, docking crews and certain others skilled in emergency work, must often work continuously for eight hours or more, although sixteen hours are unusual. Ships generally must be taken off/out of the dry-dock on the high tide and put on/into the dry-dock on the high tide. The time of high tides change approximately one hour per day, and tides wait for no man.

"(d) It is a common custom in the shipping business to dry-dock, if possible, at night and leave the dry-dock at night in order not to break into discharge or loading days and, therefore, save time of the ship and the delay of cargoes. There no doubt have been several thousand dry-dockings at night during the last year and possibly, one-quarter of these required men to work beyond midnight. However, the Assistant Deputy has learned of this one complaint only, undoubtedly for the reason that the Industry in general has voluntarily, for a period of time, paid the men proper overtime beyond midnight.

"(e) Provisions for an eight hour rest period. It is believed, will prove a proper corrective means. That is, a rest period of eight (8) hours from the termination of the last hour that a man works one day to the beginning of the first hour that he works in the succeeding day; however, if a man is required to work during such a rest period, he should be paid at the rate of at least time and one-half his regular hourly rate. Such overtime requirement would act to discourage undue and unnecessary overtime work of employees."

d. Stays of Section 3 (a) and (b) pertaining to Trials

Administrative Order 2-14, April 27, 1934, signed by Hugh S. Johnson, Administrator, recommended by K. M. Simpson, Division Administrator, Division I, memorandum and recommendation by J. B. Weaver, Deputy Administrator, approved by K. M. Simpson. (Reference: Code Record Section, Deputy's Files, and Exhibit K-14, Appendix.) Excerpts from the Order are as follows:

"STAY OF THE PROVISIONS OF PART 3, SECTIONS (a) and (b)

"NOW, THEREFORE, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me, do hereby order that the said provisions of said Part 3, insofar as the hours of employment for employees of shipbuilders or shiprepairers are concerned, are hereby stayed, for a period of sixty (60) days from the date of this order and subject to my further orders, to permit exceeding the maximum hours of work of employees provided in the Code in testing installations, machinery and equipment for ships, dock trials, and sea trials to demonstrate satisfactory operation or contractual requirements where it is impracticable to do the work with safety or to the satisfaction of the customer's inspectors by the employment of additional men, provided that this stay shall not operate or be used to decrease employment or reclassify employees at a lower rate of wages. Provided, however, That if an employee on an hourly rate works in excess of eight (8) hours in any one (1) day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours: And, provided further, That in every case where code hours are exceeded hereunder the facts and circumstances shall be reported to the Code Authority and the Industrial Relations Committee on a form stipulated by said Industrial Relations Committee."

Reference is made to memorandum April 19, 1934, to Hugh S. Johnson, Administrator, from J. B. Weaver, Deputy Administrator. (Reference: Order 2-14, Volume, Code Record Section and Deputy's Files) Excerpts from the memorandum are as follows:

"The Code Authority for the Shipbuilding and Shiprepairing Industry has applied for an exemption from the maximum hours established by the Code for employees of shipbuilders and shiprepairers engaged in the conducting of preliminary and official trial trips incident to the completion of work on vessels. This application has been approved by the Chairman of the Code Authority on behalf of the Industry.

"The Industrial Relations Committee of the Shipbuilding and Shiprepairing Industry has approved of this application with the reservation that overtime rates be paid for all hours worked in excess of eight hours per day and also that all such cases of exceeding maximum weekly hours be reported to that Agency. The Labor Advisory Board likewise approved on the same conditions.

"The Order has been drawn up in accordance with these recommendations to provide for overtime rates of pay for all time in excess of eight hours per day and to provide that all such cases of exceeding maximum weekly hours shall be

reported both to the Industrial Relations Committee and to the Code Authority."

"It has been found that exemption from the maximum hours in the cases referred to herein is necessary to the Industry and in accordance with the provisions of the Act and is hereby recommended for your approval."

Administrative Order 2-18, June 20, 1934, signed by Hugh S. Johnson, Administrator, recommended by C. E. Adams, Division Administrator, Division I, memorandum and recommendation by J. B. Weaver, Deputy Administrator, approved by C. E. Adams, Division Administrator. (Reference: Code Record Section, Deputy's Files, and Exhibit K-18, Appendix.) Excerpts from the Order are as follows:

"FURTHER STAY OF THE PROVISIONS OF PART 3, SECTIONS (a) and (b)

"WHEREAS, an order was signed by me on April 27, 1934, staying the said provisions of said Part 3, insofar as the hours of employment for employees of shipbuilders or ship-repairers are concerned, for a period of sixty (60) days from the date of the order and subject to my further orders, to permit exceeding the maximum hours of work of employees provided in the Code in testing installations, machinery and equipment for ships, dock trials, and sea trials to demonstrate satisfactory operation or contractual requirements where it is impracticable to do the work with safety or to the satisfaction of the customer's inspectors by the employment of additional men, provided that the stay shall not operate or be used to decrease employment or reclassify employees at a lower rate of wages. Provided, however, That if an employee on an hourly rate works in excess of eight (8) hours in any one (1) day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours: And provided further, That in every case where code hours are exceeded hereunder the facts and circumstances shall be reported to the Code Authority and the Industrial Relations Committee on a form stipulated by said Industrial Relations Committee; and

"WHEREAS, my said order of April 27, 1934, expires June 27,

1934, and justice requires that an extension of the said stay be granted;

"NOW, THEREFORE, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me, do hereby order that the said provisions of said Part 3, Sections (a) and (b) of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, stayed in my order of April 27, 1934, be further stayed for a period of six (6) months from and after June 27, 1934, subject to my further orders."

Reference is made to memorandum to Hugh S. Johnson, Administrator, from J. B. Weaver, Deputy Administrator. (Reference: Order 2-18, Volume, Code Record Section, and Deputy's Files) Excerpts from the memorandum are as follows:

"The Code Authority has applied for a further stay of the above mentioned provisions of the Code, and the Industrial Relations Committee has reaffirmed its former recommendation that the stay be granted.

"The Order has been drawn up extending the stay of these provisions for a period of six (6) months. This is felt to be justified in view of the fact that dock trials and sea trials are conducted from time to time by members of the Industry, and in the operation of these trials it is often impracticable to observe the maximum hours provided in the Code."

Administrative Order 2-29, December 29, 1934, signed by W. A. Harriman, Administrative Officer, recommended by Barton W. Murray, Division Administrator, memorandum and recommendation by H. Newton Whittelsey, Assistant Deputy Administrator, approved by W. W. Rose, Deputy Administrator. (Reference: Code Record Section, Deputy's Files, and Exhibit K-29, Appendix.) Excerpts from the order are as follows:

"Granting Further Exemption from Provisions of Part 3, Sections (a) and (b), of Employees Engaged in Testing Installations, Machinery and Equipment for Ships, Dock Trials and Sea Trials.

"WHEREAS, an application has been made by the Shipbuilding and Shiprepairing Industry Committee for a further extension of the aforesaid exemption from the provisions of Part 3, Sections (a) and (b), of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry from December 27, 1934 to June 16, 1935; and

"NOW, THEREFORE, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order 6859, and otherwise, does hereby order:

"That an exemption from the maximum hour provisions of the Code contained in Part 3, Sections (a) and (b), as amended, be and it hereby is granted from December 27, 1934 to June 16, 1935 to permit employees to exceed the maximum hour provisions of the Code employed in testing installations, machinery and equipment for ships, dock trials and sea trials; provided however, that if an employee on an hourly rate works in excess of eight (8) hours in any one day or in excess of thirty-six (36) hours in any one week he shall be paid at the rate of at least one and one-half ($1\frac{1}{2}$) times his regular hourly rate for overtime so worked; however, in the computation of pay when such an employee works during any one week overtime in excess of both eight (8) hours per day and thirty-six (36) hours per week, the overtime pay shall not be compounded by addition of both daily and weekly overtime, but the employee shall be paid either the sum of the overtime pay earned during the overtime days or the overtime pay earned during the overtime week, whichever is the higher for said week; and, provided further, that in each case where Code hours are exceeded hereunder the facts and circumstances shall be reported to the Code Authority and the Industrial Relations Committee on a form stipulated by said Industrial Relations Committee."

Reference is made to memorandum December 21, 1934 to W. A. Harriman, Administrative Officer, from H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Order 2-29, Volume, Code Record Section and Deputy's Files) Excerpts from the memorandum are as follows:

"4. Testing installations, machinery, equipment of ships, dock trials and sea trials to demonstrate satisfactory operation and meet constructional requirements have been the practice of the Shipbuilding Industry for many years. To do the work with safety and/or to the satisfaction and specification of the customer, it is usually necessary to exceed the hours stated in the Code as the maximum hours of the Industry. Many of the employees are specialists and of long experience with the shipyards by whom they are employed. Trial trips and dock trials, testing operations, new installations of machinery, boilers, electrical equipment, etc., can only with safety be entrusted to thoroughly trained men of known experience and of a limited number on the respective tests."

e. Exemption Part 4 Section (b) (also written as Section 4 (b) pertaining to the San Francisco Bay Area.

Administrative Order 2-15, May 1, 1934, signed by K. M. Simpson, Division Administrator, Division I, recommended by J. B. Weaver, Deputy Administrator. (Reference: Code Record Section, Deputy's Files, and Exhibit K-15, Appendix.) Excerpts from the Order are as follows:

"Denial of application of General Engineering & Dry Dock Company, United Engineering Company, Columbia Machine Works, Brown Bros. Welding Company, Marine Electric Company, Toumey Electric & Engineering Company, Morrison & Bevilockway, De Lano Bros. Company, Cook & Company, Bowes & Andrews, Cassidy & Gratta, Neptune Machine Works, Dahl-Beck Electric Company, Thos. H. Smith Machine Works, Von Tagen Company, E. T. Tway, C. W. Smith Copper Works, E. M. O'Donnell Copper Works, C. A. McCarthy & Company, and T. J. Moynihan & Company, engaged in ship repair work in the San Francisco Bay area, for exemption from the provisions of Part 4, Section (b) reading as follows:

> 'The amount of differences existing prior to July 1, 1933, between the wage rates paid various classes of employees receiving more than the established minimum wage shall not be decreased. In no event shall any employer pay an employee a wage rate which will yield a less wage for a work week of thirty-six (36) hours than such employee was receiving for the same class of work for a forty (40) hour week prior to July 1, 1933. It is understood that there shall be no difference between hourly wage rates on commercial work and on naval work, for the same class of labor, in the same establishment.'

"An application having been duly made by General Engineering & Dry Dock Company, United Engineering Company, Columbia Machine Works, Brown Bros. Welding Company, Marine Electric Company, Toumey Electric & Engineering Company, Morrison & Bevilockway, De Lano Bros. Company, Cook & Company, Bowes & Andrews, Cassidy & Gratta, Neptune Machine Works, Dahl-Beck Electric Company, Thos. H. Smith Machine Works, Von Tagen Company, E. T. Tway, C. W. Smith Copper Works, E. M. O'Donnell Copper Works, C. A. McCarthy & Company, and T. J. Moynihan & Company, engaged in ship repair work in the San Francisco Bay Area, for exemption from the provisions of Part 4, Section (b) of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, and the Deputy Administrator having recommended, and it appearing that justice requires, that said application be denied;

"NOW, THEREFORE, pursuant to authority vested in me by the Administrator for Industrial Recovery, and otherwise, it

is hereby ordered that the said application for exemption be and it is hereby denied."

Reference is made to memorandum, April 24, 1934, to K. M. Simpson, Division Administrator, from J. B. Weaver, Deputy Administrator (Reference: Order 2-15, Volume, Code Record Section, and Deputy's Files) Excerpts from the memorandum are as follows:

"On December 11, 1933 certain firms, doing repair work in the San Francisco Bay Area, made application to the District Compliance Director for an exemption from the provision of the Shipbuilding and Shiprepairing Code which requires 11.1% increase in wage rates. Previous to this, application was made to the Code Authority for exemption from this provision of the Code, and the Code Authority is not empowered to grant or deny exemptions from the Code, a formal application was made to the National Recovery Administration.

"Action on this application was delayed until an Industrial Relations Committee was established for this Industry in order that such an agency might consider the matter and make recommendations thereon. This Committee is now in existence, and on being presented with the case, unanimously recommended that the exemption from the Code be denied. The Labor Advisory Board, in their report, concurred in this decision.

"Some of the concerns making application for this exemption have delayed raising wages in accordance with the provisions of the Code, awaiting a final decision on their application, and several complaints have been lodged against these firms charging violation of the Code. These complaints will be turned over to the Industrial Relations Committee for adjustment of back wages due to under the provisions of the Code.

"In view of the circumstances, and the recommendations of the Code Authority and the Industrial Relations Committee, I recommend this denial for your approval."

Administrative Order 2-20, July 5, 1934, signed by C. E. Adams, Division Administrator, Division I, recommended by J. B. Weaver, Deputy Administrator, Brief on hearing by H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Code Record Section, Deputy's Files, and Exhibit K-20, Appendix.) Excerpts from the Order are as follows:

"Granting Application of the General Engineering & Dry Dock Company, United Engineering Company, Columbia Machine Works, Brown Bros. Welding Company, Marine Electric Company, Toumey Electric & Engineering Company, Morrison & Bevilockway, De Lano Bros. Company, Cook & Company, Bowes & Andrews, Cassidy & Gratta, Neptune Machine Works, Dahl-Beck Electric Company, Thos. H. Smith Machine Works, Von Tagen Company E. T. Tway, C. W. Smith Copper Works, E. M. O'Donnell Copper Works, C. A.

McCarthy & Company, T. J. Moynihan & Company and Eureka Boiler Works, Incorporated, engaged in ship repair work in the San Francisco Bay Area, for exemption from the provisions of Part 4, Section (b).

"WHEREAS, an order signed May 1, 1934, denied the application for exemption from the provisions of Part 4, Section (b), of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry; and

"WHEREAS, a hearing has been duly held on the order signed May 1, 1934, which denied the application for an exemption from the provisions of Part 4, Section (b), of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, and the Deputy Administrator having reported that the failure to grant the exemption from the provisions of Part 4, Section (b) in the instant case would be discriminatory and result in increasing by 11.1 percent an already adequate minimum hourly wage rate of 84-3/8 cents maintained by the aforesaid firms during the period 1933 to date, and it appearing to my satisfaction, that the exemption hereinafter granted is necessary and will tend to effectuate the policies of Title I of the National Industrial Recovery Act;

"NOW, THEREFORE, pursuant to authority vested in me, it is hereby ordered that the order signed May 1, 1934, which denied the application for exemption from the provisions of Part 4, Section (b), of said Code, be cancelled, and it is hereby further ordered that the above-named applicants and the firms recommended for exemption by the Code Authority be and they hereby are exempted from said provisions of said Code. Provided, however, that the wage rates being paid on July 1, 1933 to various classes of employees by the firms herein exempted shall not be decreased."

Reference is made to memorandum, June 27, 1934, to C. E. Adams, Division Administrator, from J. B. Weaver, Deputy Administrator. Reference: 2-20 Order Volume, Code Record Section, and Deputy's Files) Excerpts from memorandum are as follows:

"On May 1 an Order was signed denying the application of twenty ship repair firms in the San Francisco Bay Area for exemption from the provisions of Part 4, Section B of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry, which requires an increase of 11.1% in the hourly wage rates in effect on July 1, 1933.

"On protest from certain of these firms a public hearing was held in Washington on June 7, at which time certain facts were brought to light showing that these firms should be exempted from that provision of the Code requiring an increase of 11.1% in the hourly rate of employees. It was pointed out that these firms, in every case small enterprises, had maintained their hourly wage rates at the same level for the past eleven years, while two other firms, the largest concerns in the area, and in direct competition, had lowered wages substantially. The Bethlehem Shipbuilding Corporation paid a base rate of 71¢ per hour for machinists in 1929, 54¢ per hour in 1933, and is now paying 68¢ per hour. The smaller firms have paid continuously for this class of skilled labor 84¢ per hour base rate, which in 1929 was 18% higher than that paid by Bethlehem, in 1933, 60% and at present, without the 11.1% increase is 24% higher. With the 11.1% increase, bringing wage rates up to 93¢, it would be 36% higher than the Bethlehem rate. Even without the increase required by the Code the differential in the wage rates is greater now than

in 1929. By compelling the small firms to raise their wages to 93¢ per hour, a decided hardship is imposed upon them. Although a differential has always existed, an increase of this differential at the present time would be disastrous to the small firms through the establishment of an unfair competitive condition. It was definitely established that the Code aggravated an already existing injustice.

"This is just one instance wherein the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry has been unworkable. It will be necessary to revise the Code completely at a later date so that it will be of greater advantage to the Industry.

"The Code Authority has twice before taken unfavorable action on the application of these firms for exemption, and its recommendation is therefore not included in this report. It developed at the Hearing that the Code Authority had denied the exemption previously not on the merits of the case, but because of the inadvisability of setting an example by granting the exemption.

"I believe that the purpose of the National Industrial Recovery Act, furthering methods of fair competition, protecting small enterprise, and preventing monopoly, can only be obtained by granting relief to the appellant concerns. An Order has been drawn up cancelling the former Order of May 1, and granting the exemption applied for, which I urgently recommend for your signature."

Reference is made to the Brief by H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Order 2-20, Volume, Code Record Section and Deputy's Files.) Excerpts from Brief are as follows:

"HEARING ON ORDER DENYING APPLICATIONS FOR EXEMPTION UNDER PROVISIONS OF PART 4, SECTION (b) OF THE CODE OF FAIR COMPETITION FOR THE SHIPBUILDING AND SHIPREPAIRING INDUSTRY

"BRIEF

"(REFERENCES HEREIN REFER TO THE EXTRACT PAGES)

"1 (c) Substantially all yards and repair plants were forced to reduce drastically hourly rates due to the depression. It may be assumed the proponents of the Code, with the immediate necessity before them of establishing conditions for Navy contracts, believed all plants without exception had so reduced wages, and the provisions of Part 4, Section (b) of the Code were written in for the specific purpose to return wages to a fairer living scale, and no provision was made for conditions where plants had not reduced wages below the 1929 basis. This unfortunate omission is the underlying cause of this controversy. (Ref. p. 18, Sec. 23 (b), p. 36)

"2. The National Industrial Recovery Act was never intended to raise wages above the 1929 level, but this omission would have exactly that effect. (Ref. p. 51, p. 59)

"3. In fact the goal of the National Administration, as publicly stated many times, is to return Industry, Labor, etc. to the 1926 scale. These petitioning shiprepair plants of the San Francisco Bay area have been paying the 1926 scale, and did not reduce same.
(Ref. p. 19, Sec. 17)

"4. The hourly base rate of 84-3/8¢ for skilled labor paid by the petitioning plants compares favorably with that of nine major shipbuilding plants building Naval vessels now employing 10,000 men, who were the principal proponents of the Code through their Trade Associations.

"5. The applicant small plants of the San Francisco Bay Area maintained the base scale of 84-3/8¢ for skilled labor from 1923 to date.
(Ref. p. 5, Sec. 8 (b))

"6. The said applicant small plants could not reduce wages during the depression because of labor trade agreements.
(Ref. p. 6, Sec. 9 (e), p. 18, Sec. 23 (c), p. 35, p. 38)

"7. The said applicant small plants, if required to comply with the Code, would have to raise the base scale to 93.7¢.
(Ref. p. 7, Sec. 9 (d), p. 37)

"8. The Bethlehem Shipbuilding Company, Union Iron Works Plant, did reduce wages to the 54¢ scale, also the Moore Shipbuilding Company to 58¢.
(Ref. p. 16, Sec. 21 (a), p. 35, p. 48, Sec. 5)

"9. No proof has been offered to show that the 84-3/8¢ base is not a fair living wage.

"10. (a) The Bethlehem Shipbuilding Company prior to the depression paid a scale of 71½¢ which was a differential of 13¢ under the scale of the applicant plants. It appears from the record this is the differential of normal times, and any increase of differential greater than 13¢ is a hardship on the applicant plants.
(Ref. p. 6, Sec. 9, p. 6, Sec. 9 (f), p. 6, Sec. 9. (g))

"14. Enforcement of said provision would tend to create a monopoly as it would tend to leave only the large shipyards with their lower scales in the field at San Francisco, and it would tend to crush small industries, all of which is specifically prohibited by the National Recovery Act.
(Ref. p. 39, p. 51 (d))

"15. Question: 'Do you think that a temporary restraining order would be issued by a Court of competent jurisdiction in view of the records made at the recent hearing on an application for exemption from the labor provisions of the Code?'

(Not part of the record: Reply: Mr. Conway (Legal Counsel): 'Yes.'

"17. Code Authority denied application, not on the merits but on

policy because of newness of the Code.
(Ref. p. 17, Sec. 23 (a), p. 20, Sec. 29 (a), (b), (c), (d))

"18. Industrial Relations Committee denied application not on merits but for lack of jurisdiction.
(Ref. p. 20, Sec. 28)

"19. Labor is not without sympathy for the difficulties of the applicants.
(Ref. p. 22, Sec. 31, p. 23, Sec. 33.)
and hold the Bethlehem and Moore plants should be required to bring up their wage scale.

"25. The Industrial Adviser recommends the exemption be granted in the following:

According to the Code, based upon a strict interpretation, the request for exemption must be denied. In that even the code itself:

> Oppresses small enterprise and creates monopoly.
> With this heavy wage differential the "little fellow" cannot compete with the "big fellow" even in bids for Government work.
> It works a gross injustice to the many in favor of the few, to the small in favor of the large, to the weak in favor of the strong, to the just in favor of the unjust.

Codes were never so intended. Therefore, as a matter of fairness and equity, this requested exemption should be granted."

f. Protest of Shipbuilding and Shiprepairing Industry Committee (Code Authority) against provisions in Exemption and Stay orders requiring payment of overtime beyond the maximum weekly hour provisions of the Code.

Administrative Order 2-32, March 21, 1935, signed by W. A. Harriman, Administrative Officer, recommended by Barton W. Murray, Division Administration, Division 2, memorandum and recommendation by H. Newton Whittelsey, Assistant Deputy Administrator, approved by W. W. Rose, Deputy Administrator. (Reference: Code Record Section, Deputy's Files and Exhibit K-32, Appendix.) Excerpts from the Order are as follows:

"Denying request of the Shipbuilding and Shiprepairing Industry Committee for deletion of provisions in Exemptions and Partial Stays granted, pertaining to the requirement that at least time and one-half be paid for all hours worked in excess of the maximum weekly hours of the Code incorporated in Administrative Orders Nos. 2-6, 2-16, 2-19, 2-25, 2-28, 2-29 and 2-31.

"The Code, as amended, Part 3 (a) and (b), provides:

'(a) "Shipbuilding - No employee on an hourly rate shall be permitted to work more than thirty-six (36) hours per week. If an employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours."

'(b) "Shiprepairing - No employee on an hourly rate shall be permitted to work more than thirty-six (36) hours per week averaged over a period of six (6) months, nor more than forty (40) hours during any one week. If an employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours."'

"WHEREAS, the Shipbuilding and Shiprepairing Industry Committee by resolutions passed at meetings held January 17, 1935, and February 21, 1935, respectively, protested the requirement that at least time and one-half be paid for all hours worked in excess of the maximum weekly hours of the Code and requested that this requirement be stricken from Administrative Orders 2-6, 2-16, 2-19, 2-25, 2-28, 2-29 and 2-31; and

"WHEREAS, the Administrative Orders referred to were granted as follows:

Order Number	Dated	Granted For	Overtime Rate	Over	Granted to
2-6	3-1-34	3 wks.	1½	40 hrs.	Jutton Kelly Co.
2-16	5-4-34	1 wk.	1½	40 hrs.	Manitowac SB. Corp.
2-19	6-25-34	2 wks.	1½	36 hrs.	St. Louis Car Co.
* 2-24	11-14-34	30 days	1½	36 hrs.	Industry
2-25	11-17-34	90 days	1½	36 hrs.	Marietta Mfg. Co.
2-28	12-29-34	4 mo.	1½	36 hrs.	Newport News SB. DD. Co. New York SB. Co. Bethelehem SB. Co.
2-29	12-29-34	6-16-35	1½	36 hrs.	Industry
2-31	3-19-35	60 days	1½	max. hrs.	Industry

"WHEREAS, the Deputy Administrator has reported, and it appears to the satisfaction of the National Industrial Recovery Board that the denial of the aforesaid request is necessary and will tend to effectuate the policies of Title I of the National Industrial Recovery Act.

"NOW, THEREFORE, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order 6859, and otherwise, does hereby order;

"That the request of the Shipbuilding and Shiprepairing Industry Committee for deletion of provisions in exemptions and partial stays granted requiring that at least time and one-half be paid for all hours worked in excess of the maximum weekly hours of the Code in Administrative Orders 2-6, 2-16, 2-19, 2-25, 2-28, 2-29 and 2-31 be and is hereby denied."

Reference is made to memorandum March 5, 1935 to W. A. Harriman, Administrative Officer, from H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: 2-32 Order Volume, Code Record Section and Deputy's Files.) Excepts from the memorandum are as follows:

"2. (a) The Shipbuilding and Shiprepairing Industry Committee passed the following resolution at meeting held Jan. 17, 1935:

> 'Whereas in Administrative Orders No. 2-6, 2-16, 2-19, 2-25, 2-28, 2-29, N. R. A. have directed that overtime be paid beyond weekly hours as well as beyond daily hours the Code Authority protests this ruling as not being within the requirements of the Shipbuilding and Shiprepairing Code, and further has never been a practice of the Industry and therefore is unacceptable to it; and
>
> 'THEREFORE, BE IT RESOLVED, That the Code Authority directs its Chairman to address a letter to N. R. A. asking that this requirement be stricken from the aforesaid Administrative Orders."

---

*Contains the subject provision but is not listed by the Code Authority;

(b) The Shipbuilding and Shiprepairing Industry Committee passed the following resolution at meeting held Feb. 21, 1935.

'THE CODE AUTHORITY RESOLVES: That the Chairman of the Code Authority be directed to protest to N.R.A. the Administrative Order No. 2-31 in its present form as being opposed to the payment of overtime beyond the maximum hours of the Code, and as opposed to the provision of the Order requiring weekly reports of overtime performed to be reported to the Industrial Relations Committee unless such reports are the result of a complaint filed in regard thereto; and,

FURTHER: That the Chairman be directed to communicate with N.R.A. and request an opportunity for the Code Authority to appear before the National Industrial Recovery Board and present its point of view regarding these matters.'

"7. Reference is made to letter of Jan. 28, 1935, from the Chairman of the Shipbuilding and Shiprepairing Industry Committee in which argument is set forth as follows:

"(a) That the overtime clauses (subject provisions) directly conflict with the Code which provides for overtime payment beyond eight (8) hours per day, but does not provide for overtime payment beyond the maximum weekly hours. The Code does not provide for overtime work beyond weekly hours under any circumstances.

"An exemption or limited partial stay granted which acts temporarily to modify a provision of the Code, may contain any conditions deemed advisable by the Administration.

(c) That on January 4, 1934 , Mr. William H. Davis, then Deputy Administrator, dictated a statement incorporated in the Minutes of the Meeting held on that day as follows:

'That overtime is not to be paid for the four hours in excess of the 36 hours in any one week but is only to be paid for hours in excess of eight hours in any one day.'

"The above provision was not submitted to the Administration for approval. If approved, it would constitute an amendment to the Code. Further, the Code in Section 8 (d) clearly provides that supplemental provisions shall be submitted for the approval of the President. Therefore, the above provision is of no force or effect.

"8. Reference is made to letter dated Feb. 21, 1935, from the Chairman of the Shipbuilding and Shiprepairing Industry Committee setting forth argument as follows:

"(a) That the Industry did not consider or agree to any overtime provision beyond the weekly hours of the Code. This is answered in 7 (a) hereof.

"(b) That the practice has never prevailed in the Industry to pay overtime except beyond daily hours and it would establish in the Industry a condition that would be very difficult, if not impossible, to change.

"The Industry has paid for Sunday work double time or a higher rate, and for Saturday afternoons, time and one-half or h higher rate. These payments are in fact payments beyond the usual weekly hours of work, which were generally forty-four (44) hours. The exemptions and partial stays granted in most cases pertained to relatively few employees in relation to total employment; therefore, it does not appear that the overtime requirement would act to establish a precedent.

"(c) That the Navy Department only requires overtime payment beyond forty (40) hours per week.

"The mandatory law limiting the hours per day to eight (8) hours of work, requires no overtime provision to protect the situation. Therefore, in effect, the Navy Department's daily and weekly hours are effectively protected against undue overtime.

"9. Reference is made to Administrative Orders 2-6, 2-16, 2-19 and 2-25, all were granted to specific shipyards on representatives that the particular kind of labor exempted was not available in the immediate locality. In such instances the local labor offices cannot be considered an infallible guide nor is it possible to judge the availability of men in not too distant points that might be moved. Therefore, the subject provision of overtime payment beyond the maximum hours of the Code is most useful to properly control such situations; that is, to discourage undue overtime work and induce the increase of employment of more men to handle the work in question.

"10. Reference is made to Administrative Orders 2-24, and 2-28, both of which pertain to the extension of Section 3 (c) of the Code regarding designers and loftsmen.

"(a) The memorandum of November 9, 1934, to the Division Administrator, copy attached, sets forth that there was an original exception provided by the Code for six (6) months, and this was extended by an additional three (3) months, and a still further additional six months, all without overtime provision. During this total time of fifteen (15) months the designing forces were only increased 35%.

"(b) This time was quite sufficient to train additional men to properly handle the designing of the large naval program that was let in 1933. However, at the termination of this period, Nov. 5, 1934, the Shipbuilders applied for a further extension.

"(c) The condition therefore existed as follows: The shipbuilders had worked their designing forces for nine (9) months at 48 hours and for six (6) months at 44 hours, they had failed to employ and train sufficient men to do the work, they paid the men no overtime for work beyond 36 hours per week as it was not required by the Code or the extension thereof. This is a clear case of the lack of a suitable provision to prevent undue overtime and to increase employment.

"(e) The memorandum of November 13, 1934, to the Division Administrator, copy attached, sets forth the increased cost per month of overtime required by the respective Orders in the designing of the $181, 728,600 naval building in private yards. It is shown that the percentage of increased cost per month with relation to the contracts is estimated at only 18/1000 of 1%, and the overtime cost per month with relation to the payroll at only 7/100 of 1%.

"11. Reference is made to Administrative Order 2-29, which grants a further exemption to employees engaged in testing installation, machinery and equipment for ships, dock trials and sea trials.

"(a) The memorandum in this case addressed to the Administrative Officer sets forth in considerable detail the special problem connected with this matter. The men selected for such trials and their number is a management problem of shipyard operation and cannot well be interferred with.

"(b) This matter, however, should be adequately safeguarded in order to discourage unnecessary overtime work and encourage employment of sufficient men to the fullest extent. Therefore, the subject provision embodying the requirement that time and one-half be paid for overtime beyond thirty-six (36) hours is most desirable and necessary and the only one suitable to properly guard the situation.

"(c) The Labor Advisory Board, Research and Planning Division and Legal Division recommended that time and one-half be paid for overtime beyond the maximum hours of the Code, although the question was not definitely asked of the Advisory Boards in the memoranda that went to them.

"12 (a) Here again the memoranda in the case, addressed to the Administrative Officer, went into considerable detail in regard to the necessity of emergency work in the repair of ships and clearly set forth that permission to perform emergency repairs must be granted to the Industry. Such repairs must be made immediately when there is involved the danger of menace to the safety of a vessel, life or property or when a delay would work an undue hardship on the owner or shippers or passengers.

"(b) Here again is a situation that must be safeguarded. The Order provided for time and one-half beyond the maximum hours of the Code and required that reports of such emergency work should be made promptly to the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry.

"(c) The subject provision of time and one-half is the only

suitable control to discourage undue overtime work and to encourage adequate employment. The Industrial Relations Committee, the Consumers' Advisory Board, Research and Planning Division, Labor Advisory Board and Legal Division recommended such time and one-half be paid for overtime beyond maximum hours of the Code.

"13. The Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry recommended by resolution March 1, 1935, as follows:

'BE IT RESOLVED, that the Labor Members of the Industrial Relations Committee hereby record themselves as favoring the payment of not less than time and one-half for work performed in excess of Code weekly maximum hours, and recommend that the Code Authority's protest of January 28th, 1935, be referred to herein, be denied, and

'BE IT RESOLVED, that the Industry Members of the Industrial Relations Committee hereby record themselves as opposed to the payment of overtime for work performed in excess of Code weekly maximum hours and recommend that the Code Authority's protest of January 28th, 1935, referred to herein, be sustained.'

"20. An exemption from, or a stay of, maximum hour provisions of the Code which permit work beyond maximum hours is a temporary modification of the Code provision effective for a limited time in lieu of an actual amendment to meet the particular conditions for which the exemption or stay may be granted.

"(a) It follows that such temporary modifications of the Code must be guarded by suitable conditions, in order that such modifications may not be used for the purpose of decreasing employment or for reclassification of employees at a lower rate.

"(b) Means to so guard such temporary modifications may consist of the following:

"(1) The Compliance Division or other suitable agency might be instructed to send its representatives into each plant to check both the work and the payrolls, where men are worked in excess of the maximum hours of the Code under a given exemption or stay, to determine and report that the privilege granted is not used to decrease employment while working undue overtime and thereby not putting on sufficient men. It is thought this method would be a nuisance and expense to the shipyards and has not been followed:

"(2) Another means is to act through economic inducement, such as the subject provision that not less than time and one-half be paid for work beyond the maximum hours of the Code. This automatically acts to induce a shipyard to hire more men instead of working a smaller force on undue overtime and paying them time and one-half for overtime so worked.

"(3) No other effective means, that is not of a nuisance nature, is known that will guard this situation of the modification of the Code by exemptions or stays. The time and one-half provision has undoubtedly worked toward an increase in employment and toward a curbing of undue overtime.

"(4) The shipbuilders have made no constructive suggestion as to means for guarding such temporary modifications of the Code in lieu of the subject provision, which they protested.

"21. I recommend the protest of the Shipbuilding and Shiprepairing Industry Committee and request for deletion of provision in exemptions and partial stays granted, pertaining to the requirement that at least time and one-half be paid for all hours worked in excess of the maximum weekly hours of the Code incorporated in Administrative Orders Nos. 2-6, 2-16, 2-19, 2-25, 2-28, 2-29, and 2-31, be ended.

"I, therefore, recommend for your signature the approval of the Order."

4. Other Administrative Actions and Agencies

a. Trade Practice Complaints Committee

February 14, 1934. The Code Authority set up the Trade Practice Complaints Committee as per the following excerpts from the Minutes (Reference: pages 1 and 2, Minutes, Deputy's Files).

"The Chairman explained in considerable detail to the members of the Shipbuilding and Shiprepairing Industry its status with respect to the setting up of committees to deal with Trade Practice Complaints and Labor Complaints as provided for in the Manual for Adjustment of Complaints, Bulletin #7, issued by the National Recovery Administration.

"After discussion, upon motion by S. W. Wakeman, seconded by Robert Haig and unanimously carried the following resolution was adopted:

'That a Trade Practice Complaints Committee be organized and set up to be comprised of the six Industry Members and the Administration member of the Code Authority.'

Therefore, the members constituting this Committee are:

H. G. Smith, President, National Council of American Shipbuilders.
Roger Williams, Vice President, Newport News Shipbuilding and Dry Dock Company.
Robert Haig, Vice President, Sun Shipbuilding & Dry Dock Company.
S. W. Wakeman, Vice President, Bethlehem Shipbuilding & Dry Dock Company.
W. H. Gerhauser, President, American Shipbuilding Company.
Joseph Haag, Jr., President, Todd Dry Dock Engineering & Repair Co.
Arba B. Marvin, Administration Member of Code Authority without vote but with veto, subject to review by NRA.

"In order to further the work of the Trade Practice Committee the Code Authority passed a resolution that:

The Trade Practice Complaints Committee be authorized to set up divisional, regional, or local Industrial Adjustment Agencies or use existing National, District and Local Area Committees organized and functioning under the Shipbuilding and Shiprepairing Industry Code.

April 4, 1934, Administrative Order B-12A was issued in letter form addressed to C. C. Knerr, Secretary, Code Authority, from K. M. Simpson, Division Administrator, Division 1, as follows: (Reference:

Code Record Section, Deputy's Files, and Exhibit K-12A, Appendix.)

"We have examined the proposals outlined in a letter from Mr. Arba B. Marvin, dated March 6, addressed to Deputy Administrator J. B. Weaver, and the following named persons are recognized as members of the Trade Practice Complaints Committee for your Industry:

H. G. Smith, President, National Council of American Shipbuilders, 11 Broadway, New York, N.Y.
Roger Williams, Vice President, Newport News Shipbuilding and Dry Dock Company, 90 Broad Street, New York, N.Y.
Joseph Haag, Jr., President, Todd Dry Dock Engineering & Repair, Ft. of 23rd St., Brooklyn, N. Y.
W. H. Gerhauser, President, American Shipbuilding Company, Cleveland, Ohio
Robert Haig, Vice-President, Sun Shipbuilding & Dry Dock Company, Chester, Pennsylvania.
S. W. Wakeman, Vice-President, Bethlehem Shipbuilding Corporation Ltd., Quincy, Massachusetts.
Arba B. Marvin Administration Representative of the Code Authority, 277 Park Ave., New York, N.Y.

"You are hereby authorized to handle trade practice complaints in the first instance. This authorization is granted with the understanding that such complaints will be handled on a National basis, with the Trade Practice Complaints Committee authorized to set up regional or local adjustment agencies, or use available agencies in The Industry as fact finding and advisory bodies. If, in the future, it should be deemed advisable for such regional or local agencies to adjust complaints in the first instance, specific authorization must be requested for this purpose."

1. Reference is made to memorandum, April 4, 1934, to K. M. Simpson, Division Administrator, from J. B. Weaver, Deputy Administrator, (Reference: Volume, Order 2-12A, Code Record Section and Deputy's Files) from which the following is excerpted.

> "On March 7th we submitted plans for a Trade Practice Complaints Committee for the above Industry to the Code Authority Organization Committee, and requested that the Shipbuilding and Shiprepairing Industry Committee be granted permission to handle trade practice complaints in the first instance.
>
> "Favorable reports were made by the various members of this Committee, but before final action was taken by the Commitee they were instructed to return all requests to the various Industry Divisions in keeping with the new procedure outlined in Office Orders 74 and 75.
>
> "I feel that authorization should be granted to the Shipbuilding and Shiprepairing Industry Committee to handle trade practice complaints in the first instance with the understanding that the Trade Practice Complaints Committee, as organized on February 14, 1934, be recognized and authorized to set up regional and local adjustment

agencies, or use available agencies in the Industry as advisory and fact finding bodies. If, in the future, it should be deemed advisable for these regional or local agencies to handle trade practice complaints in the first instance, special authorization should be requested for this purpose."

Reference is made to letter, March 6, 1934, to J. B. Weaver, Deputy Administrator, from Arba B. Marvin, Administration Representative, (Reference: Volume, Order 2-12A, Code Record Section and Deputy's Files) from which the following is excerpted.

"It is to be noted that the personnel of this Committee is not identical with that of any committee in this Industry heretofore authorized to handle trade practice complaints on reference and it is not the intent that the proposed new Committee shall take to itself complaints on reference which since October 28, 1933, have been delegated to District and to Local Area Committees in the Industry. It is the intent that the proposed new Committee shall take over the responsibility in the first instance of such earlier complaints on reference and that the reports of the District and regional Area Committees shall be made to the proposed new Committee and then relayed by the latter to the National Recovery Administration.

"Action on complaints in the first instance by this proposed Trade Practice Complaints Committee is to be national in scope. By approval of the Code Authority now obtained, said Committee may set up divisional, regional or local Industrial Adjustment Agencies and use available agencies in the Industry such as existing trade associations. The present intent is to utilize to the fullest possible extent the four District Committees and the fifteen or more Local Area Committees tabulated on the accompanying chart, but for the time being and until such divisional, regional or local Industrial Adjustment Agencies have demonstrated their capacity to handle complaints on reference, the said proposed new Committee is to receive all trade practice complaints in the first instance and then use its discretion and judgment in referring any of those complaints to one or another of the available Industrial Adjustment Agencies as occasion may arise."

The foregoing reference to October 28, 1933 was no doubt a typographical error. There was no Code Authority meeting on that day, but there was a meeting October 2, 1933, during which the Rules and Regulations were approved by the Code Authority.

Reference is made to memorandum March 22, 1934, to Dr. E. Christopher Meyer from Theodore Voorhees of the Legal Division, (Reference: Volume, Order 2-12, Code Record Section and Deputy's Files) of which the following is excerpted.

"I have examined the rules and regulations for the administration of the above code and the other papers with regard to the handling of trade practice complaints and I am of the opinion that the code committees should be permitted to handle trade practice complains in the first instance.

"While the rules in this Industry are not particularly similar to the suggestions in Bulletin 7 for Industrial Adjustment Agencies, I think that it would be a great mistake where an Industry has set up machinery for compliance which is working effectively, for the Administration to force the Industry to adopt an entirely different system. In other words it seems to me that unless it appears that the system of handling trade practice complaints is inadequate or unfair we should approve the set-up and allow the Industry to handle complaints.

"If you agree with me and propose to permit to handling of such complaints I suggest that you be particularly careful to confine your approval to the handling of complaints and that you do not permit the Industry to infer that the rules and regulations 'approved and effective October 2, 1933' are approved by the Administration. Perhaps these rules have been approved by the Deputy Administrator. They contain many rather drastic provisions, however, and I do not think that the Code Authority Organization Committee should appear to be sanctioning these provisions unless they were carefully studied."

No plan of Procedure for Handling Trade Practice Complaints was approved in the subject order 2-12A. The Rules and Regulations and the chart of the District and Local Areal Committees was submitted and incorporated in the volumes, and it may be assumed that the Administrative provisions of these Rules and Regulations received tacit approval in that no exception was taken to them even when pointed out in the letter from Arba B. Marvin hereinbefore quoted and bound in the volumes.

As to qualifications of the members of the Committee. It is the identical list of members of the Code Authority which was elected by the Industry as a whole as hereinbefore set forth and moreover the author knows these individual men are the actual heads of active operation of the respective large shipyards set forth as their affiliations.

April 24, 1934. Meeting of the Code Authority, The following action was taken (Reference: page 13, Minutes, Deputy's Files):

"Trade Practice Complaints Committee

"The Chairman announced that pursuant to authority contained in a letter of April 4, 1934 from K. M. Simpson, the Trade Practice Complaints Committee was duly organized today but at the present time has no report to make to the Code Authority.

"Mr. Marvin drew the attention of the Code Authority to a letter dated April 12, 1934 from Mr. K. M. Simpson relative to an Inter-Industry Practice Relationship Committee to be appointed to meet with similar Trade Practice Committees under such other codes as experience proves to be sufficiently related to require coordination for the purpose of formulating fair trade practices between such related codes.

"Upon motion of Mr. S. W. Wakeman and seconded by Mr. Roger Williams the Trade Practice Complaints Committee of the Shipbuilding and Shiprepairing Industry was designated as the Committee to meet with such other Committees as outlined above."

Mr. H. Gerrish Smith, Chairman of the subject committee and also the Code Authority, was requested from time to time to develop adequate plans of Procedure for handling Trade Practice Complaints, but it was delayed awaiting the amended code. However, the author addressed Mr. Smith November 20, 1934, (Reference: Deputy's Files) as Follows:

> "Last week I sent to Mr. Knerr, your Secretary, multiple copies of two different plans for handling Trade Practice Complaints.
>
> "Reference is made to the Division Administrator's Order dated April 4, approving the Trade Practice Committee. It is noted that this Order did not contain the very pertinent paragraph in Mr. Arba B. Marvin's Administration Member, memorandum dated March 6 to Mr. J. B. Weaver, Deputy Administrator as follows:
>
> 'In general the procedure to be followed by the Trade Practice Complaints Committee here proposed is that which appears in NRA Bulletin No. 7, page 26, section 4'.
>
> "It is now required that a plan for a Trade Practice Complaints Committee be approved by the Division Administrator. The plan follows Bulletin No. 7, but is more complete in setting forth the detail matter in which complaints are to be handled.
>
> "I hope you will give careful consideration to these plans of procedure for your Trade Practice Complaints Committee and have the same adopted.
>
> "I find no record of reports from your Trade Practice Complaints Committee to the Administration, which was understood to have been made by the Code Authority. Will you please have a summary made and forward with extra copies."

Copies of the Two Plans of Procedure are filed in Trade Practice Folder Deputy's Files. They differed in the field organization provisions.

December 20, 1934 meeting of the Code Authority the following action was taken (Reference: page 14, Minutes, Deputy's Files):

"By-Laws - (Code Authority
(Trade Practice Complaints Committee

"The Chairman reported that Mr. H. Newton Whittelsey had forwarded to the Chairman of the Code Authority proposed by-laws covering the operation of the Code Authority and also for the operation of the Trade Practice Complaints Committee and upon motion by Mr. A. B. Homer, seconded by Mr. Roger Williams both subjects were to be referred to the Committee on Code Revision for study and report thereon."

January 17, 1935 meeting of the Code Authority the Plan was again on the agenda but the discussion became involved with the Rules and Regulations and no action was taken (Reference: Minutes Deputy's Files).

February 18, 1935. The Author again addressed Mr. Smith as follows:

> "On November 13 I sent to Mr. C. C. Knerr, your Secretary, and later wrote you on November 20, in regard to this matter.
>
> "You have a Trade Practice Committee set up and approved, but until your plan of Procedure is adopted this Committee cannot properly function.
>
> "This Plan of Procedure, the form of which I sent you, is in accordance with the policy of the Compliance Division and includes in the Plan the method by which complaints that cannot be adjusted by your Trade Practice Committee may be sent forward to the Compliance Division of the N.R.A. and thereby bring in the aid the Administration can give in the enforcement of Trade Practice.
>
> "Will you please bring these up before your Code Authority meeting and have them passed. I believe they are now in the hands of the Code Committee."

As to the activities of the subject committee there was little left of fair trade practices soon after the committee was appointed. The Code only provided as follows:

"7--UNFAIR METHODS OF COMPETITION

"To accomplish the purpose contemplated by this Act, the members signatory to this code agree that the following practices are hereby declared to be unfair methods of competition:

> "(a) To sell any products (s) or service (s) below the reasonable cost of such product (s) or service (s).
>
> "(1) For this purpose, cost is defined as the cost of materials plus an adequate amount of overhead, including an amount for the use of

any plant facilities employed as determined by cost accounting methods recognized in the industry (and approved by the committee constituted for the enforcement of this code as provided in Section 8 (a)).

"(b) To give or accept rebates, refunds, allowances, unearned discounts, or special services directly or indirectly in connection with any work, performed or to receipt bills for insurance work until payment is made."

The Rules and Regulations from Article VII were intended to amplify the code provisions, as hereinbefore set forth, these Rules and Regulations were adopted October 2, 1933, but were not submitted to the administration on advice of the Deputy in charge of the Code (Reference: page 2, Minutes, October 2, 1933, Deputy's Files.) Their legality began to crumble February 6, 1934 in memorandum to George H Shields III, Assistant Deputy Administrator, from Howard F. Ralph, Assistant Counsel (Reference: Deputy's Files). There appears no record, however, of the Code Authority being informed accordingly, prior to their appointment of the subject committee.

April 30, 1934 letter to J. B. Weaver, Deputy Administrator from H. Gerrish Smith, Chairman of the Code Authority, requested a legal interpretation of the Rules and Regulations for the guidance of the subject committee. (Reference: Trade Practice Folder, Deputy's Files).

The reply was made by letter, May 18, 1934, to H. Gerrish Smith, Chairman, from H. Newton Whittelsey, Assistant Deputy Administrator (The author joined N.R.A. organization April 24, 1934) (Reference: Trade Practice Folder, Deputy's Files). Excerpts from the letter are as follows:

"In reply to your letter to Mr. J. B. Weaver dated April 30, which has just come to my hands, in regard to the Trade Practice Committee on questions arising pertaining to the Code of Fair Competition and Trade Practice of the Shipbuilding and Shiprepairing Industry.

"This matter was the subject of a letter I wrote to Mr. Arba B. Marvin on May 10 as follows:

'I am informed by our Assistant Counsel as follows:

"1. Replying to your question number one it is obvious that the Committee should not take action on complaints filed solely on the By-Laws that were in effect for a few weeks in the summer of 1933 and were wholly discarded and abandoned.

"2. Replying to your question number two that Committee should only take action on complaints filed on the Rules and Regulations as issued where such complaints are based on provisions within the Code."' "

Reference is made to letter, September 26, 1934, to Jacques J. Reinstein, Assistant for Code Authorities, from H. Gerrish Smith, Chairman of the Code Authority. (Reference: Trade Practice Folder, Deputy's Files) The letter is explanatory of the situation at the time and is excerpted as follows:

"Receipt is acknowledged of your letter of September 13, addressed to the Secretary of the Shipbuilding and Shiprepairing Industry Committee, concerning compliance activities of our Code Authority.

"This Industry has operated under a Code and a set of Rules and Regulations drawn up by its Code Authority in cooperation with and approved by its Deputy Administrator.

"From time to time an occasion trade-practice complaint was submitted to the Code Authority that provisions of the Rules and Regulations had been violated. The complaints were brought to the attention of the Trade Practice Complaints Committee at a meeting on April 24th at which time the various complaints in question were considered.

"There had arisen in the meantime some doubt as to the legality of the Rules and Regulations as adopted by the Code Authority and the various complaints, therefore, were laid on the table with a request that the National Recovery Administration be asked to render a decision as to the legality of them. Accordingly, a letter was written to NRA under date of April 30th , and under date of May 18th we received a reply from Mr. H. N. Whittelsey, Assistant Deputy Administrator of the Shipping Section, as per copy enclosed. The Rules and Regulations were drawn, as shown, to cover the trade-practice provisions of paragraphs 7 and 8 of the code. This Office has found no way, however, in proving there has been a code violation of the Rules and Regulations, so that there are on file at the present time no claims that this office can show to be a violation of the Code itself. The total number of such complaints under the Rules and Regulations that were submitted is twenty-eight (28)."

b. Labor Complaints Committees

Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry was originated by resolution of the Code Authority at meeting held March 15, 1934 (Reference: page 10, Minutes, Deputy's Files). The Resolution is as follows:

> "There shall be constituted by appointment of the Administrator for the Shipbuilding and Shiprepairing Industry an Industrial Relations Committee, to be composed of seven (7) members: three (3) to be nominated by the Code Authority to represent the employers, three (3) to be nominated by the Labor Advisory Board of the National Recovery Administration to properly represent the employees in the industry, and one (1) to be selected by the other six."

Administrative Order 2-8, March 26, 1934, signed by Hugh S. Johnson, Administrator, appointed three Industry Members nominated by the Code Authority. (Reference: Code Record Section, Deputy's Files and Exhibit K-8, Appendix.) Excerpts from the Order are as follows:

"AND WHEREAS, the following persons have been nominated by the Shipbuilding and Shiprepairing Industry Committee:

Lawrence Y. Spear, Electric Boat Company, Groton, Connecticut.
George H. Bates, United Dry Docks, New York City.
John B. Woodward, Newport News Shipbuilding and Dry Dock Company, Newport News, Virginia.

"NOW, THEREFORE, I, Hugh S. Johnson, Administrator for Industrial Recovery, do hereby order that the above named persons be and they are hereby appointed and constituted members to represent employers on the Industrial Relations Committee for said Industry."

Administrative Order 2-12, April 4, 1934, signed by Hugh S. Johnson, Administrator, appointed three Labor Members to the Committee, nominated by the Labor Advisory Board (Reference: Code Record Section, Deputy's Files and Exhibit K-12, Appendix.) Excerpts from the Order are as follows:

> "AND WHEREAS, the following persons have been nominated by the Labor Advisory Board:
>
> Arthur O. Wharton, President, International Association of Machinists.
> Joseph S. McDonagh, Legislative Representative of the International Brotherhood of Electrical Workers.

William A. Calvin, Vice President of the International Brotherhood of Boilermakers and Iron Shipbuilders.

"NOW, THEREFORE, I, Hugh S. Johnson, Administrator for Industrial Recovery, do hereby order that the above named persons be and they are hereby appointed and constituted members to represent employees on the Industrial Relations Committee for said Industry."

Administrative Order 2-13, April 6, 1934, signed by Hugh S. Johnson, Administrator, appointed James Swann in place of George H. Bates, resigned (Reference: Code Record Section, Deputy's Files and Exhibit K-13, Appendix). Excerpts from the Order are as follows:

"AND WHEREAS, George H. Bates, who, pursuant to the provisions of said resolution, was on March 26, 1934, appointed a member to represent employers on the Industrial Relations Committee of said Industry, has submitted his resignation as such member.

"NOW, THEREFORE, I, Hugh S. Johnson, Administrator for Industrial Recovery, do hereby order that James Swann be and he is hereby appointed and constituted a member to represent employers on the Industrial Relations Committee for said Industry."

Administrative Order 2-21, August 15, 1934, signed by Hugh S. Johnson, Administrator, approval recommended by Barton W. Murray, Division Administrator, December 2, amended previous orders relating to the numbers of the committee as per the following excerpt (Reference: Code Record Section, Deputy's Files and Exhibit K-21, Appendix):

"NOW, THEREFORE, I, Hugh S. Johnson, by virtue of authority vested in me, do hereby order that my previous orders of March 26, 1934, and April 4, 1934, whereby I appointed the Industry and Employee members, respectively, of the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry, be amended by omitting the provision requiring the selection by the Industrial Relations Committee of a seventh (7th) member."

The full membership of the subject committee was therefore as follows:

Lawrence Y. Spear, Electric Boat Company, Groton, Connecticut.
James Swann, New York Shipbuilding Corporation, 420 Lexington Avenue, New York City.

John B. Woodward, Newport News Shipbuilding and Dry Dock Company, Newport News, Virginia.
Arthur O. Wharton, President, International Association of Machinists.
Joseph S. McDonogh, Legislative Representative of the International Brotherhood of Electrical Workers.
William A. Calvin, Vice President of the International Brotherhood of Boilermakers and Iron Shipbuilders.

Administrative Order 2-30, January 17, 1935, signed by W. A. Harriman, Administrative Officer, appointed Joseph W. Hart to serve in place of James Swan, resigned, as follows (Reference: Code Record Section, Deputy's Files and Exhibit K-30, Appendix):

"That the resignation of James Swan as a member of the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry to represent employers be and hereby is accepted and that Joseph W. Hart be and he hereby is appointed and constituted a member to represent employers on the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry."

Reference is made to memorandum, January 10, 1935, to W. A. Harriman, Administrative Office, from H. Newton Whittelsey, Assistant Deputy Administrator, (Reference: 2-30 Order Volume, Code Record Section and Deputy's Files) excerpted as follows:

"5. The Shipbuilding and Shiprepairing Industry Committee have duly nominated Mr. Joseph W. Hart as a member of the Industrial Relations Committee, effective January 14, 1935, and have made request he be duly appointed.

"11. I have met Mr. Joseph W. Hart, Assistant to the National Council of American Shipbuilders and discussed with him the affairs of this Committee and the problems of the Shipbuilding Industry pertaining to Labor Complaints and Labor Disputes. From his background and experience, I believe he will be a desirable, efficient and suitable member to represent Industry on this Committee and I, therefore, recommend his appointment."

The address of Joseph W. Hart is National Council of American Shipbuilders, 11 Broadway, New York, N. Y.

The qualification of the Industry Members is by long experience with each of the respective shipyards with which they were affiliated as hereinbefore set forth, except that of Joseph W. Hart, whose qualification has been set forth hereinbefore. The qualification of the Labor Members is through their long experience with labor matters and in their present duties as officers of the respective labor associations set forth with each of their names.

1. Development of the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry, and Plan for Adjustments.

The first action toward the organization of an Industrial Relations Committee was at the meeting of the Code Authority held September 27, 1934 (Reference: page 2, Minutes, Deputy's Files). Excerpt from the minutes is as follows:

> "Mr. S. W. Wakeman was assigned a Committee of one to draw up a plan for the handling of Labor Problems and to report back at next Code Committee meeting."

October 9, 1933 meeting of the Code Authority discussed the subject (Reference: page 2, Minutes, Deputy's Files). Excerpt from the minutes is as follows:

> "Procedure for Handling Labor Disputes
>
> "This question was discussed at length as to what kind of an organization should be set up to handle disputes within the industry. The Code Committee has before it, at the present time, two suggestions from members of the industry and one suggestion from Mr. Joseph Franklin. The various plans will be considered and discussed at a later meeting."

October 25, 1933 meeting of the Code Authority discussed the subject (Reference: page 3, Minutes, Deputy's Files). Excerpts from the minutes are as follows:

> "Labor Representation
>
> "The question was also discussed as to how labor should be represented in the administration of labor disputes arising under the code and as several other plans had been previously suggested, Mr. J. S. McDonagh presented the following as another method of procedure.
>
> 'For the purpose of dealing with all questions and complaints arising out of labor conditions in the shipbuilding and shiprepair yards, there shall be established a National Committee consisting of seven; one to be appointed by the Administrator of the N.R.A.; three to be selected by the shipbuilders and the shiprepairers; and three to be selected by the Metal Trades Department of the A.F. of L. with the approval of the President of the American Federation of Labor. Such National Committee shall have authority to take up and dispose of all labor questions coming to it from the employers or employees of any shipbuilding or shiprepair yard, or from any of the divisions and sub-divisions into which the shipbuilding and shiprepairing industry may be divided.'
>
> "This matter is to be taken under advisement."

November 8, 1933 meeting of the Code Authority discussed the subject (Reference: page 2, Minutes, Deputy's Files). Excerpts of the minutes are as follows:

"Method For Handling Labor Disputes

"Mr. Davis called the attention of the Code Committee to the lack of a committee within the industry to settle labor disputes. He cited the method adopted in the Bituminous Coal Code as being an example of what another industry has done.

"The Chairman reminded Mr. Davis that two members of the Code Committee had filed suggested plans and that a plan was on record presented by Mr. McDonagh and by Mr. J.A. Franklin and that the industry had this matter continually in mind but to date had come to no agreement as to whether any plan would be suitable. The matter is still open and having the consideration by the industry members of the Code Committee.

"Mr. Davis stated that any plan adopted would have to have the approval of General Hugh S. Johnson."

January 4, 1934 meeting of the Code Authority discussed the subject (Reference: pages 11 and 12, Minutes, Deputy's Files). Excerpts of the minutes are as follows:

"Tentative Plan for Handling Labor Disputes Readjustment of Hours, Wagner Committee

"A tentative plan for a Labor Committee within the Shipbuilding and shiprepairing Industry was discussed for sometime with Mr. Shields and later with Mr. Davis. There was also discussion with Mr. Davis as to the pending report of the National Labor Board upon the question of uniform hours in the performance of all work in the Shipbuilding and Shiprepairing industry. Mr. Davis informed the Committee that it was anticipated that the report of the National Labor Board would recommend 40 hours a week for the industry but that such a recommendation would be contingent upon acceptance by the industry of some plan for the handling of labor disputes and complaints. Without commitment by the members of the Committee at the meeting there was lengthy discussion of the tentative plan which developed the desirability of some changes. Mr. Davis offered to rewrite the plan to provide for such changes and to send the revised plan directly to the members of the Code Committee for their further consideration in order that the Shipbuilding and Shiprepairing Industry might consider such revised plan and decide upon the action they would take regarding it."

The foregoing alleged statement attributed to W.H. Davis, Deputy Administrator, is the basis for the contention of the Shipbuilders that they were to receive the 40 hour week if they would set up the Industrial Relations Committee as they have verbally stated to the author.

The tentative Plan for a Labor Committee before referred to was dated December 1, 1933 and titled "Preliminary Plan Proposed by a Subcommittee of Shipbuilders and Shiprepairers for Handling of Questions and Disputes Arising in the Shipbuilding and Shiprepairing Industry, involving Wages, Hours of Labor, or other differences between Employees

and Employers" (Reference: Industrial Relations Committee Folder, Deputy's Files).

February 14, 1934 meeting of the Code Authority further discussed the subject (Reference: pages 1, 2, 3, Minutes, Deputy's Files). Excerpts from the Minutes are as follows:

> "Mr. W.H. Davis, under date of February 1st, wrote a letter to the Chairman of the Code Committee, stressing the importance of immediately forming an appropriate committee to handle labor complaints, as in the absence of such a committee the NRA would be compelled to refer such questions as do arise to the State Director of the National Emergency Council. Thereupon the Code Committee took under consideration the formation of committees to handle Trade Practice Complaints and Labor Complaints.
>
> "The definition of Labor Complaint is given in Bulletin #7 as follows:
>
> > 'The term "labor complaint" wherever used in this manual (Bulletin #7) refers to a complaint alleging a violation of the labor provisions of a Code.'
>
> "Committee to Consider Labor Complaints
>
> "The Manual for Adjustment of Complaints (Bulletin #7) page 24, provides a method for the handling of Labor Complaints. There was considerable discussion as to the functions of this committee and the duties of same.
>
> "It was the opinion of the Code Authority that a committee should be organized to handle labor complaints and upon motion by W.H. Gerhauser, seconded by S.W. Wakeman, it was resolved:
>
> > "That a Committee of Three be set up as a Labor Complaints Committee and that Roger Williams, Vice President, Newport News Shipbuilding & Dry Dock Company is nominated as the Industrial Member of this Committee, and that Joseph S. McDonagh is recommended as a second member of the committee."

March 2, 1934 meeting of the Code Authority (Reference: pages 1 and 2, Minutes, Deputy's Files). Excerpts on the subject are as follows:

> "Industrial Relations Board
>
> "The Chairman reported that he was in receipt of a letter dated February 21, 1934 from Mr. J. B. Weaver, Deputy Administrator, Shipping Section, with reference to setting up within the Industry of a Committee for the handling of labor disputes to be known as the

'Industrial Relations Board'. The Administrator suggests that this Board should consist of six members; three to be appointed by the Administrator from nominations by the Labor Advisory Board and three to be appointed by the Code Authority to represent Industry, and a seventh member to be appointed by the other six members.

"The contents of this letter were discussed at length, and upon motion by Mr. Robert Haig, seconded by Mr. W. H. Gerhauser the following resolution was offered and adopted.

> 'That the industry set up an Industrial Relations Committee consisting of three representatives of Industry, three representatives of Labor, and a seventh member to be selected by the other six, with the understanding that if this Committee is set up, that the longer hours and other provisions of the report of the National Labor Board concerning hours and wages relating to the Industry be promptly approved by such governmental agency as necessary to make it effective, and with the further provision that the Labor Members of the Committee be properly representative of the employees engaged in the Industry, and
>
> 'Provided further, that the plan of organization of such a Committee be substantially along the lines of a plan already prepared by the Industry and commented upon by Mr. W. H. Davis and which is in general satisfactory to the Industry.'"

March 15, 1934 meeting of the Code Authority (Reference: pages 7, 8, 9, 10, Minutes, Deputy's Files). Excerpts on the subject are as follows:

"Industrial Relations Committee

"The Chairman called to the attention of the Committee a letter dated March 10th from J. B. Weaver, Deputy Administrator, in response to a letter of March 2d, 1934, from the Code Committee, relative to the set up of an Industrial Relations Committee. These letters were as follows:

March 2d, 1934

"Dear Sir:

"The Code Authority of the Shipbuilding and Shiprepairing Industry at a meeting held this day, by majority vote, passed the following resolution:

'That the Industry set up an Industrial Relations Committee consisting of three representatives of Industry, three representatives of Labor, and a seventh member to be selected by the other six, with the understanding that if this Committee is set up, that the longer hours and other provisions of the report of the National Labor Board concerning hours and wages relating to the Industry be promptly approved by such governmental agency as necessary to make it effective, and with the further provision that the Labor Members of the Committee be properly representative of the employees engaged in the Industry, and

Provided further, that the plan of organization of such a Committee be substantially along the lines of a plan already prepared by the Industry and commented upon by Mr. W. H. Davis and which is in general satisfactory to the Industry.'

"Under the conditions outlined, the Code Authority is prepared to appoint the Industry members of the Committee.

"Sometime ago the Industry outlined a proposed plan for the consideration of Labor Disputes which plan was submitted to and commented upon by Mr. W. H. Davis. A revised plan to provide for a Committee of Seven instead of a Committee of Three will be along the lines of the previous plan and is being prepared and will be submitted to you within a very few days.

Very truly yours,
(Signed) H. G. Smith
Chairman."

"NATIONAL RECOVERY ADMINISTRATION
WASHINGTON, D. C.

March 10, 1934.

"Mr. H. Gerrish Smith, Chairman,
Shipbuilding and Shiprepairing Code Committee,
11 Broadway,
New York, N. Y.

"Dear Mr. Smith:

"The Labor Advisory Board has refused to recommend the appointment of a man to represent labor on the Labor Complaints Committee for the Shipbuilding and Shiprepairing Industry. Their position is based on the fact that an Industrail Relations Board has been discussed and a Resolution has been passed authorizing such a Board and that they believe this Board should be definitely established before they take action on the Complaints Committee. In view of the provisos attached to your Resolution authorizing an Industrial Relations Board, the Labor Advisory Board feels that undue obstacles are being placed before the setting up of this Board.

"I find their refusal to appoint a man to the Labor Complaints Committee indefensible. However, I do agree with them that the provisos attached to the Industrial Relations Board set-up are out of order. I want to take this opportunity to inform the Code Authority that until such time as this Board is established, without strings attached in the form of provisos, and empowered to handle not only labor disputes but also broad labor questions without restriction, this office will not consider petitions for exceptions, exemptions, etc. Furthermore, it cannot be expected that the Recovery Administration will amend the Code in order to clear up the hour question without such a Board being established although it is agreed that the question will not be turned over to this Board for settlement but rather that we will press for a decision from the National Labor Board and a subsequent amendment of the Code independent of this Board once it is established.

"Serious doubt has been raised in my mind as to the truly representative character of the existing Code Authority. This is evidenced not only by the fact that there is no representation from the shore shops on the Code Authority but also from the fact that following a conference of the members of the Industry located in and around New York at which some immediate amendments were decided upon, the Code Authority determined to delay action. Furthermore, the representation of the Gulf and Pacific Coasts would not appear to me to be entirely satisfactory. The men on the Code Authority representing these Districts do so by virtue of the fact that plants subsidiary to their main plants are located in these districts. It may be, of course, that it is impossible for members on the Pacific and Gulf Coasts to attend meetings of the Code Authority. If this is the case it will perhaps be desirable to decentralize in some manner and give more local autonomy to the different regions.

"In conclusion it is my understanding that a meeting of the Code Authority will be called immediately now that the conferences are completed here, to outline a plan of procedure. It seems desirable either that the meeting be held here or that I come to New York for it inasmuch as I believe it would be mutually beneficial if I could attend that meeting in order that the Industry and myself may be perfectly clear on our future course of action.

"Yours very truly,
(Signed) J. B. Weaver
Deputy Administrator."

"The Chariman took exception to the language used in the second paragraph of the letter which reads as follows:

> 'I want to take this opportunity to inform the Code Authority that until such time as this Board is established, *** this office will not consider petitions for exceptions, exemptions, etc.'

"The Chairman stated that the Committee is bound to send to the administration whatever requests come in and that he did not like the code authority to be put in a position of not being able to send such requests through proper channels.

"Mr. Weaver explained his position in connection with request of the industry for a longer work week and stated that the NRA and people connected with it did not have the power to push through decisions of the National Labor Board. He urged that the industry set up a Board that can act on exemptions, wage rates, etc., and that a resolution should be adopted somewhat along the lines passed on March 2nd but without any limiting restriction.

"Roger Williams asked Mr. Weaver if we set up this Board today without any strings attached to it would it remove the difficulty in getting a decent break on hours for the rest of the industry, i.e. straight 36-hour week for our industry and smooth it out for exceptions to the working hours and which will permit Newport News to finish the 'Ranger' which the government wants. Mr. J. B. Weaver replied 'It will.'

"There was further discussion of the need for an Industrial Relations Committee with comments by Mr. Robert Haig, J. B. Weaver and the Chairman.

"On motion of Mr. Robert Haig, seconded by Roger Williams, the following resolution was read and adopted:

> 'There shall be constituted by appointment of the Administrator for the Shipbuilding and Shiprepairing Industry an Industrial Relations Committee, to be composed of seven(7) members: three (3) to be nominated by the Code Authority to represent the employers, three (3) to be nominated by the Labor

Advisory Board of the National Recovery Administration to properly represent the employees in the industry, and one (1) to be selected by the other six.'

"Mr. Jos. Haag, Jr. was recorded as not voting, as the New York and New Jersey Dry Dock Association were not willing to vote in favor of an Industrial Relations Committee without passing upon the plan finally set up for such a Committee.

"As the original resolution provides for three industry members, Mr. Roger Williams made a motion

> That the Chairman of the Code Authority be authorized to nominate the three industry members of the Industrial Relations Committee.

Motion was seconded by Mr. W. H. Gerhauser. The vote was as follows: Messrs. Gerhauser, Williams, Smith and Haig in the affirmative. Mr. Jos. Haag Jr. recorded as 'not voting'."

March 16, 1934, letter to J. B. Weaver, Deputy Administrator, from H. Gerrish Smith, Chairman of the Code Authority, set forth the foregoing resolution and attach a "Plan for Adjustment of Complaints and Disputes in the Shipbuilding and Shiprepairing Industry. This plan was dated March 16, 1934. (Reference: Industrial Relations Committee Folder, Deputy's Files)

March 28, 1934. J. B. Weaver, Deputy Administrator, called the subject committee together for its first meeting during which by-laws were adopted (Reference: Administrative Order 2-9A, Volume, Code Record Section, and Deputy's Files). See memorandum dated March 30,1934 to K. M. Simpson, Division Administrator, from J. B. Weaver, Deputy Administrator, and By-Laws bound in volumes.

Administrative Order 2-9A, March 30, 1934, in letter form addressed to H. Gerrish Smith, Chairman of the Code Authority, signed by K. M. Simpson, Division Administrator, Division 1, (Reference: Code Record Section and Deputy's Files) authorized the Code Authority as follows:

> "You are hereby granted authorization to handle labor complaints on reference, and labor disputes for a period of sixty days from date hereof.
>
> "Within said time there shall be presented a complete plan of procedure for handling such complaints and disputes to the N.R.A. for examination and approval by the Administrator."

The foregoing order authorized the Code Authority and not the Industrial Relations Committee. No record can be found whereby the Code Authority delegated such authority to the Industrial Relations Committee by suitable formal resolution.

The Shipbuilders looked upon the subject committee as their committee, and subject to the Code Authority, which appears to be confirmed by inference from the subject Order 2-9A

Reference is made to Memorandum, dated March 30, 1934, to Division Administrator, K. M. Simpson, Division 1, from Code Authority Organization Committee, signed by W. Averill Harriman, Chairman, finding that the Code Authority is qualified to handle labor complaints on reference, and labor disputes, and recommending such authorization be given for period of sixty days within which the Code Authority shall present its complete procedure for handling such complaints and disputes. (Reference: Order 2-9A Volume, Code Record Section and Deputy's Files)

Here again it was the Code Authority and not the Industrial Relations Committee recommended. This caused misunderstanding and confusion, which was later the cause of considerable trouble and delay in the proper set up and functioning of the subject committee, in the opinion of the Author.

Legal Division made a similar recommendation (Reference: Order 2-9A, Volume, Code Record Section and Deputy's Files).

April 2, 1934, the second meeting of the Industrial Relations Committee was called by J. B. Weaver, Deputy Administrator (Reference: Minutes, Industrial Relations Committee Files). The following is excerpted from the minutes:

> "Mr. Winship reported that the Code Authority Organization Committee of NRA had recommended that the Industrial Relations Committee be given authority for a period of sixty days to adjust complaints on reference and disputes, during which period the Committee would be expected to complete an organization and develop a procedure for carrying on its work. This recommendation met the approval of the Administrator."

The report just quoted is a direct contradiction of the findings and recommendation of the Code Authority Organization Committee as bound in the Volume Order 2-9A.

April 11, 1934, reconvened meeting of April 10th of the Industrial Relations Committee there was considered and adopted a "Plan for Adjustment of Complaints and Disputes" (Reference: Minutes, page 2 , Industrial Relations Committee Files and Industrial Relations Committee Folder, Deputy's Files). The By-Laws were also slightly amended at this meeting (Reference: page 2 , Minutes, Industrial Relations Committee File). The following is excerpted from the minutes:

> "After full discussion a plan for adjustment of complaints and disputes was agreed upon and a letter drafted to the Chairman of the Code Authority and the Deputy Administrator presenting the plan. The letter with its enclosures was unanimously approved and a copy ordered filed in the minutes."

April 25, 1934 meeting of the Industrial Relations Committee (Reference: Minutes, Industrial Relations Committee Files). Excerpt is as follows:

> "On communicating by telephone with the Chariman of the Code Authority it was learned that an initial appropriation of $3,000 had been made on 4-24-35 toward the salary of an Executive Secretary and other office expenses."

April 24, 1934, dated Plan for Adjustment of Complaints and Disputes was drafted by a Sub-Committee of the Code Authority and submitted to members of the Code Authority by mail. Mr. H. Gerrish Smith, Chairman of the Code Authority, in letter dated May 15, 1934 to James Swan, Member of the Industrial Relations committee attached the plan (Reference: Plans for Adjustment Industrial Relations Committee Files). The letter reads as follows:

> "In connection with the propsed 'Plan for adjustment of complaints and disputes in the Shipbuilding and Shiprepairing Industry, April 24th, 1934,' I am pleased to hand you herewith copies of three letters received from Mr. Robert Haig, Mr. W. H. Gerhauser and Mr. S. W. Wakeman.
>
> "For your information, you may also include Mr.Roger Williams and myself as being in favor of the plan.
>
> "Mr. Joseph Haag, the sixth member of the Code Authority, may, for the time being, be recorded as not voting upon the adoption of this plan. This is in accordance with the action taken by him and recorded in the minutes of the Code Authority meeting held on March 15, 1934."

May 16, 1934 meeting of the Industrial Relations Committee (Reference: Minutes, Industrial Relations Committee File). Excerpts from page 1 and 2 are as follows:

> "Mr. Swan submitted the Code Authority's plan for the adjustment of complaints and disputes. The fact was brought up that the Industrial Relations Committee had prepared and submitted its own plan to the Code Authority and the Deputy Administrator, under date of April 11, 1934, and as there seemed to be differences between the two plans, the Executive Secretary was directed to make a study of the two plans to see wherein they differed.

Excerpts from Pages 2 and 3 of the May 16, 1934 Industrial Relations Committee meeting are as follows:

> "Upon receiving notice, unofficially, that the Secretary of Labor had communicated to the Administrator the desire of that Department to have three governmental representatives appointed to the Industrial Relations Committee, the Deputy Administrator, Mr. Weaver, was interviewed.

It was the feeling of the Committee that no additional members should be appointed; the scope and authority of the Committee as at present constituted is vague and uncertain; the Administrator should be communicated with regarding a general clarification of the organization, purposes and authority of the Committee.

"The Deputy Administrator, Mr. Weaver, volunteered to take such communication as the Committee might prepare, to the Administrator. The Chairman then directed Mr. McDonagh and Mr. Woodward to prepare such a communication. The Committee recessed at 12:55 P. M. to meet again at 2:00 P. M.

"The Committee proceeded with a discussion of the tentative letter drawn up by Mr. McDonagh and Mr. Woodward. After full study, a final form was decided upon, prepared, signed by each member of the Committee, and delivered to the Deputy Administrator for transmittal to the Administrator. The letter is as follows:

'Mr. J. B. Weaver
Deputy Administrator
Shipping Section
National Recovery Administration
Washington, D. C.

'Dear Mr. Weaver:

'The Industrial Relations Committee, recently set up by appointment of the Administrator, has held a number of sessions largely devoted to developing its functions, organization and procedure. Progress has been hampered by lack of a clear definition and understanding of the scope of the Committee's authority in dealing with the questions which it has been set up to handle. The Committee believes its main function to be the adjustment of labor complaints and disputes and related questions arising within the industry, including questions affecting hours of service, overtime wage rates, and adjustment of inequalities with the object in view of removing unfair inequalities as between plants in competitive territory.

'In dealing with these matters its authority should be complete to the extent allowed under N.I.R.A., subject only to review by the Administrator. It furthermore believes it to be the spirit and intent of the N. R.A. to afford to industry and labor generally the fullest powers permitted under the N.I.R.A. in dealing with these problems, and that the addition to the membership of the Industrial Relations Committee of the Shipbuilding and Shiprepairing Industry of representatives of the Government is in violation of the intent of the N.I.R.A., and will hinder rather than help the solution of the problems presented to the Committee.

The Committee wishes to feel free to call upon the Government for help in situations which seem to require it, but it respectfully protests any unnecessary government control of its actions.

'It is the further belief of this Committee that its formation should constitute it as an independent judicial body for the purposes set forth above; a committee not subject to the authority or review of any Governmental agency or body, other than the Administrator, nor subordinate to the Code Authority of the Shipbuilding and Shiprepairing Industry in its handlings of the problems properly submitted to it. Under its present set-up, the Committee has only such authority to act in labor complaints and disputes, and other matters, as is derived from authorization granted the Code Authority, in letter of Division Administrator W. M. Simpson, dated March 30th, 1934.

'Very truly yours,
/s/ A. O. Wharton
James Swan
J. B. Woodward, Jr.
J. S. McDonagh
L. Y. Spear
W. A. Calvin'"

Administrative Order 2-17A, June 5, 1934, signed by C. E. Adams, Division Administrator, Division 1, in letter form addressed to Arthur O. Wharton, Chairman of the Industrial Relations Committee, (Reference: Code Record Section and Industrial Relations Committee Folder, Deputy's Files) extended the authority of the subject committee as per the following excerpt:

"On March 30, 1934, authorization was granted to the Code Authority for the Shipbuilding and Shiprepairing Industry to handle Labor Complaints on Reference, and labor disputes, for a period of sixty days. It was further provided that within this time a complete plan of procedure for handling labor complaints and disputes should be submitted to the National Recovery Administration for the approval of the Administrator.

"This temporary authorization is hereby extended to the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry to handle labor complaints and labor disputes for a period ending June 30, 1934. Within said period the Industrial Relations Committee shall submit a complete plan for handling such complaints and disputes for the approval of the Administrator."

Reference is made to memorandum, May 29, 1934, to K. M. Simpson, Division Administrator, Division 1, from J. B.Weaver, Deputy Administrator, (Reference: Volume Order 2-17A, Code Record Section and Industrial Relations Committee Folder, Deputy's Files) Excerp is as follows:

"The Industrial Relations Committee for this Industry has during the sixty (60) day period, functioned satisfactorily. It is felt that authorization should be directed to this Committee to continue its good work."

June 6, 1934 meeting of the Industrial Relations Committee (Reference: Minutes, Industrial Relations Committee File). Excerpts are as follows:

"The Chairman read letter received from Mr. C. E. Adams, Division Administrator, N.R.A., dated June 5, 1934.

"The Committee then proceeded with a discussion of a plan for the adjustment of complaints and disputes, and received from Mr. Whittelsey, Assistant Deputy Administrator, suggestions as to the operation of the Cotton Textile Industrial Relations Committee.

"The Deputy Administrator, Mr. Weaver, was heard on the subject of a plan and he presented his view that the panel system, as provided in plan of the Code Authority, dated April 24, 1934, was not a satisfactory plan of procedure.

"After discussion of the original plan of the Committee, as submitted to the Code Authority and the Deputy Administrator on April 11, 1934, and the plan of Code Authority dated April 24, 1934, the Chairman appointed Mr. McDonagh, and Mr. Woodward to attempt to formulate a plan which might meet all objections."

Reference is made to letter, June 11, 1934, to C. E. Adams, Division Administrator, from A. J. Doyle, Executive Secretary of the Industrial Relations Committee, (Reference: Industrial Relations Committee Folder, Deputy's Files) from which the following is excerpted.

"This will refer to your letter of June 5, 1934, addressed to Mr. Arthur O. Wharton, Chairman, Industrial Relations Committee, wherein you extend to June 30, 1934, the temporary authorization of this Committee to handle labor complaints and labor disputes. I am informed by memorandum of the Assistant Deputy Administrator, Mr. Shields, that under the terms of Administrative Order No. X-29, abolishing 'complaints on reference' and establishing only 'official authorization,' authority of this Committee to act will expire on June 15th.

"It was assumed by the Industrial Relations Committee that the extension of its temporary authorization would not be affected by the Administrative Orders above referred to. If such is not the case, it is respectfully requested that temporary official authorization be granted."

Administrative Order 2-17B, June 18, 1934, in letter form addressed to Arthur O. Wharton, Chairman of the Industrial Relations Committee, signed by Hugh S. Johnson, Administrator (Reference: Code Record Section and Industrial Relations Committee Folder, Deputy's Files). The order is as follows:

"Pursuant to a resolution dated March 15, 1934, of the Shipbuilding and Shiprepairing Industry Committee I appointed the employer representatives of your Committee on March 26, 1934, and the employee representatives on April 4, 1934.

"Due to a labor emergency in the Shipbuilding and Shiprepairing Industry authorization to handle labor complaints on reference and labor disputes for sixty days was given to the Code Authority on March 30, 1934. This authorization was extended to your Committee on June 5, 1934 for a period ending June 30, 1934.

"The practice of handling complaints on reference was, however, discontinued by Administrative Order X-29, effective June 15, 1934.

"In view of the above the Industrial Relations Committee as appointed on March 26, 1934, and April 4, 1934, is temporarily recognized as the agency to handle labor complaints and labor disputes for the Shipbuilding and Shiprepairing Industry subject to the following conditions subsequent:

1. That the seventh member of said Committee be selected at the next regular meeting of said Committee.

2. That said Committee submit to this Administration for approval before June 30, 1934, complete plans of procedure for handling labor complaints and labor disputes.

"This recognition will terminate upon the approval of a new code or amendments to the present Code affecting the Industrial Relations Committee.

"Until further notice the headquarters of the Industrial Relations Committee will be in Washington, D. C."

June 21, 1934 meeting of the Industrial Relations Committee (Reference: Minutes, Industrial Relations Committee File). Excerpts from Pages 1,2,3,4,5,6 follow:

"The Temporary Chariman read a letter received from the Administrator, General Johnson.

"After formal discussion on the election of the Committee's seventh member, the members took up the question of the plan for the adjustment of complaints and disputes; how the regional committees should be established, and how employee representatives of any panel, or other regional representation of the Committee, should be appointed. Mr. Wharton stated that he would not subscribe to any form of plan which might place the question of employee representation in the hands of a company union.

"Mr. Whittelsey, Assistant Deputy Administrator, came into the meeting at 10:30, and Mr. H. Gerrish Smith, Chairman of the Code Authority, came in at 10:40.

"Letter of the Administrator, noted above in these minutes, was handed to Mr. Smith for his information.

"The situation at the Fore River Plant of the Bethlehem Shipbuilding Corporation was immediately taken up, copies of all correspondence in the case being in the hands of the Committee. The Executive Secretary read letter received from Philip H. Van Gelder.

"The cases of the five employees mentioned in the above letter, who, it was alleged, had been discharged because of union activities, had been presented to the Committee on June 13 by the Deputy Administrator, Mr. Weaver, for immediate handling, preferably in the form of a sub-committee. The Temporary Chairman had thereupon appointed a sub-committee, consisting of Messrs. McDonagh and Woodward, and the Executive Secretary, to proceed to Quincy, Massachusetts, to investigate the situation. The Chairman of the Code Authority had forbidden such investigation by sub-committee, however, by telegram of June 14, which read as follows:

'W6 38 SER-BG New York, N.Y. June 14, 1934
A. J. Doyle, Secretary
Industrial Relations Committee
526 Investment Bldg.

'Industrial Relations Committee should not send men to Fore River until plan approved by Code Authority for settlement of all labor complaints and disputes is definitely accepted and in operation stop When will you establish your offices in New York.

H. Gerish Smith'

"Mr. Smith presented the attitude of the Code Authority that the matter should have been handled in the first instance by correspondence with the respondent company, and that no investigators or sub-committees should be sent to any plant until the Code Authority's plan for the adjustment of complaints and disputes had been accepted and was in operation.

"In view of the express order of the Code Authority, the Executive Secretary had previously advised the Deputy Administrator that the Committee was powerless to act immediately by sub-committee. Inasmuch as fairness to the men involved seemed to call for some immediate action, and as the Committee was powerless to act, the only alternative seemed to be to turn the cases over to the National Labor Board, as originally requested by the complainant, Ban Gelder, with a recital of the facts involved.

"Mr. Woodward moved that this be done, copy to be sent to the Deputy Administrator, and Van Gelder notified. Motion was seconded, passed by unanimous vote and the Secretary so instructed.

"Telegrams of the Code Authority, directing that the office be established in New York were noted as follows:

'(A) "W108 SER S EXTRA-BG New York N.Y. 12 S:34
P 1934 June 12 PM 3:58

"A J DOYLE EXECUTIVE SECRETARY
INDUSTRIAL RELATIONS COMMITTEE
INVESTMENT BLDG. ROOM 526

"WITH REFERENCE TO OUR LETTER OF APRIL TWENTY-SIXTH AND TELEGRAM OF MAY FIFTEENTH PLEASE ARRANGE TO TRANSFER YOUR OFFICE PROMPTLY TO ELEVEN BROADWAY NEW YORK CITY
H GERRISH SMITH CHAIRMAN
CODE AUTHORITY

'(B) "W105 13 SER-BG New York NY 14 4:16 P
1934 June 14 PM 4:42

"A J DOYLE SECRETARY
INDUSTRIAL RELATIONS COMMITTEE
526 INVESTMENT BLDG.
WASHINGTON, D C

"MY TELEGRAM TWELFTH STOP TRANSFER OFFICE TO NEW YORK AS OF MONDAY JUNE EIGHTEENTH
H GERRISH SMITH"'

"The question was discussed, Mr. Smith stating Industry's determination that the office should be located at 11 Broadway, New York City, and Mr. Wharton and Mr. McDonagh emphasizing that a committee for the settlement of labor complaints and disputes should not be located in the headquarters of the National Council of American Shipbuilders, but should have its own independent head office.

"Mr. Whittelsey, before leaving, expressed the hope that the Committee might be able to do something looking toward the appointment of its seventh member, and that the members might be able to get together and decide upon a mutually satisfactory plan for the adjustment of complaints and disputes.

"Such a plan was again discussed and the obstacle encountered, on the one side, that employee representatives of whatever form of regional representation, should be selected by the Labor Advisory Board, and on the other, that such representatives should be selected by the employees of the individual plants. In view of the Committee's inability to reconcile the two separate ideas, and the advice of the Chairman of the Code Authority that industry would not agree to selection by the Labor Advisory Board, it was tentatively decided to draw up separate plans, embodying the two viewpoints, and submit them to the Code Authority and the Deputy Administrator.

"The Committee then recessed at 12:55, to meet again at 2:00.

"Upon coming together at 2:00 o'clock, the Committee continued its discussion of a plan, and all members being averse to a disagreement which would be evident were two separate plans submitted, a further study was made. It was finally decided to eliminate entirely from the Committee's previous plan, all mention and reference to reference to regional committees, on the assumption that something might be devised later in the form of traveling representatives or investigators. Copies of the amended plan were prepared, and attempt was made to locate the Chairman of the Code Authority for discussion of the amended plan.

"The Chairman of the Code Authority returned to the meeting at 3:40 and was acquainted with the new plan, being furnished a copy. The Executive Secretary read it to the members for the purpose of a checkage with the other plan, and upon being informed by the Code Authority that personally, he could see no objection to it, motion that it be adopted was unanimously approved, and the Executive Secretary instructed to advise the Code Authority formally by letter, with copy to the Deputy Administrator."

The Plan for Adjustment of Complaints and Disputes of June 21, 1934 is filed in Plans, Industrial Relations Committee File, and Industrial Relations Committee Folder of Deputy's Files. This plan was duly submitted by letter, June 22, 1934, to J. B. Weaver, Deputy Administrator, and also to H. Gerrish Smith by letter, June 22, 1934, both signed by A. J. Doyle, Executive Secretary of the Industrial Relations Committee (Reference: Industrial Relations Committee Folder, Deputy's Files and Plans Folder, Industrial Relations Committee File).

June 18, 1934, letter to H. Gerrish Smith, Chairman of the Code Authority, from Hugh S. Johnson, Administrator (Reference: Industrial Relations Committee Folder, Deputy's Files). Excerpts from the letter are as follows:

> "The handling of complaints on reference was discontinued effective June 15, 1934, by Administrative Order X-29. I have, however, recognized the Industrial Relations Committee as the authorized agency of the Shipbuilding and Shiprepairing Industry to handle labor complaints and labor disputes pending the approval of a new code or amendments affecting the Industrial Relations Committee. A copy of this letter is attached for your information.
>
> "The scope and nature of the activities of the Industrial Relations Committee shall not be under the direction of the Code Authority. The Committee shall, however, continue as in the past to cooperate with the Code Authority in carrying out its functions.
>
> "In Administrative Order X-12, dated March 30, 1934, I requested all industries operating under approved codes which do not specifically provide for the creation of agencies to handle labor disputes and labor complaints to proceed in each case to create and Industrial Relations Committee to handle both labor complaints and labor disputes. In the rewriting of your Code which is now under consideration it will be advisable, however, to include definite provisions relative to an Industrial Relations Committee for your Industry in which its powers and duties are definitely outlined. If the present Committee should qualify under the provisions of the rewritten code, recognition could be extended on the basis of such provisions."

June 23, 1934 letter to H. Gerrish Smith, Chairman of the Code Authority, from J. B. Weaver, Deputy Administrator (Reference: Industrial Relations Committee Folder, Deputy's Files). Excerpts from the letter are as follows:

> "I have at hand a plan adopted unanimously by the Committee at their meeting on June 21, 1934. This plan appears satisfactory to me in view of the circumstances, and I am accordingly recommending to Mr. Adams, Division Administrator, that he approve the plan and that the Committee as now con-

stituted be 'officially authorized' to handle labor complaints and labor disputes for the Industry.

"I also have a copy of General Johnson's letter to you of June 18, 1934, in which he states that 'The scope and nature of the activities of the Industrial Relations Committee shall not be under the direction of the Code Authority.' In view of these letters and the expressed statements of the Administrator therein, I see no other course except to submit the plan for approval. It is made clear by the above quotation that it is not necessary for this plan to be approved by the Code Authority."

June 26, 1934 telegram to J. B. Weaver, Deputy Administrator, from H. Gerrish Smith, Chairman of the Code Authority, (Reference: Industrial Relations Committee Folder, Deputy's Files) is as follows:

"Shipbuilding and Shiprepairing Industry not satisfied for Industrial Relations Committee to operate under any plan that has not been definitely approved by the Industry members of Code Authority Stop Revised plan as acted upon by Industrial Relations Committee June twenty first is being submitted today to committee that originally drafted the plan for report and position of Industry on this whole subject will be set forth in letter to General Johnson Stop Action will be taken as quickly as possible."

June 26, 1934 letter to General Hugh S. Johnson, Administrator, from H. Gerrish Smith, Chairman of the Code Authority (Reference: Industrial Relations Committee Folder, Deputy's Files). Excerpts are as follows:

"References And Enclosures (a) Letter Administrator to Code Authority June 18th.
(b) Letter Administrator to Industrial Relations Committee, June 18th.
(c) Letter J. B. Weaver to Code Authority, June 23rd.

"Dear Sir:

"Under date of June 18th, reference (a), we received from you a letter in which you recited certain steps that had been taken towards setting up an Industrial Relations Committee of seven members for the Shipbuilding and Shiprepairing Industry. We also received with your letter copy of a letter, reference (b), that had been addressed to Mr. Arthur O. Wharton, Chairman of the Industrial Relations Committee in which it was stated, reference (b) that you had temporarily recognized the Industrial Relations Committee as an agency to deal with labor complaints and labor disputes in the Industry, subject to the following conditions:

'1. That the seventh member of said Committee be selected at the next regular meeting of said Committee.

'2. That said Committee submit to this Administration for approval before June 30, 1934, complete plans of procedure for handling labor complaints and labor disputes.'

"Since the receipt of this letter the Industrial Relations Committee held on June 21st a meeting in Washington and requested me, as Chairman of the Code Authority, to appear before it and present the views of the Industry in regard to the procedure to be followed and the functions to be performed by the Committee in the performance of its duties.

"I appeared before the Committee and pointed out that, at the time the resolution requesting the setting up of the Industrial Relations Committee was passed by the Code Authority, a letter was addressed to the Deputy Administrator quoting therein a resolution passed by the Code Authority, accompanied by a PROPOSED PLAN for committee operation.

"All discussion preceding the setting up of an Industrial Relations Committee for the handling of labor complaints and labor disputes have proceeded upon the premise that the Industry would accept the creation of a Committee to adjust its labor complaints and labor disputes within the Industry in accordance with a plan approved by the Industry. Part Three of Bulletin No. 7 confirms this position in the title which reads as follows:

'PART THREE
ADJUSTMENT BY CODE AUTHORITIES OF COMPLAINTS
OF N. R. A. CODE VIOLATIONS'

"It now appears that the PROPOSED PLAN above referred to and approved by the Industry was not presented to the Industrial Relations Committee when it first met and was only received by it at a much later date. When finally received the Industrial Relations Committee modified the proposed plan and submitted it back to this office. The Industry accepted the plan after making some modifications and again returned it to the Committee. The Committee further modified the plan and has now returned it to this office to be checked by the Industry.

"In the meantime we are in receipt of a letter from the Deputy Administrator, reference (c), stating that he is recommending to you the approval of the plan as passed upon by the Industrial Relations Committee on June 21.

"The Industry takes this position:

1. That the Industrial Relations Committee is to operate under a plan approved jointly by the Code Authority and by the Administrator.

2. That the Industrial Relations Committee may make suggestions as to the plan of operation, but that such plan does not become operative until such suggestions are approved by both the Code Authority and the Administrator.

3. That as the Code Authority is responsible for the cost of operation of the Industrial Relations Committee that it has the right to designate the location of the headquarters of the Committee.

4. That when the plan of operation is approved and the committee is completely set up with its seven members that the reports of the Committee to whomsoever they are sent must be forwarded through the Code Authority in order that the Industry may know what is going on in connection with its own business."

June 27, 1934 letter to H. Gerrish Smith, Chairman of the Code Authority, from the Sub-Committee, Roger Williams and A. B. Horner (Reference: Industrial Relations Committee Folder, Deputy's Files). The letter is as follows:

"Your Sub-Committee has carefully examined the Plan for Adjustment of Complaints and Disputes in the Shipbuilding and Shiprepairing Industry as re-drafted by the Industrial Relations Committee and reports as follows:

1. The redrafted plan follows very closely the original proposed plan approved by the Industry and submitted to the Administrator prior to the appointment of the membership of the Industrial Relations Committee, the principal exception being the elimination of the proviso that when a labor dispute is presented to the Industrial Relations Committee, either by employees or employers, the Industrial Relations Committee shall first refer it for settlement to the Committee representing employees and employers equally within the plant.

2. Subsequent to the official appointment of the members of the Industrial Relations Committee, dissatisfaction was expressed by the employees in certain yards on the grounds that they were not properly represented on this Committee. These objections were overcome by adding to the plan Regional Adjustment Agencies, a provision by which employees at a plant where a dispute occurs have representation on such Regional Agency, and it was also considered that the appointment of Regional Agencies would facilitate the work of the Industrial Relations Committee.

3. Your Sub-Committee sees no objection in reverting to the original plan in which all reference to Regional Adjustment Agencies is eliminated but desires to point out that such plan will meet objections on the part of employees on the same grounds as expressed above.

4. Your Sub-Committee considers that the inclusion of the proviso requiring the Industrial Relations Committee to first refer a dispute for settlement to the Committee representing employees and employers equally within the plant is vital for the proper operation of the plan. Furthermore this conforms to the procedure in Bulletin No. 7, and therefore your Sub-Committee is unwilling to agree to its deletion from the plan. This also necessitates the reinstatement of the two paragraphs referring to this particular question as written in the original plan dated April 24, 1934.

5. Your Sub-Committee also objects to the change in the paragraph referring to the decision of the arbitrators. The paragraph as drawn by us gives to the arbitrator the decision as to the duration of the agreement. Your Sub-Committee is of the opinion that this should be left as originally drawn and that no fixed time should be imposed by the plan.

6. Your Sub-Committee has no objections to the omission of the last two paragraphs of the plan as it is believed that the Committee can function effectively under the conditions outlined without the instructions contained in these paragraphs.

A copy of the plan as recommended herein is attached."

June 27, 1934, "Plan for Adjustment of Complaints and Disputes" hereinbefore referred to in the letter, June 27, 1934, is filed in the Industrial Relations Committee Folder, Deputy's Files. Copy of the June 27, 1934 letter and Plan of the Sub-Committee was forwarded to General Hugh S. Johnson, Administrator, with letter, June 29, 1934, from H. Gerrish Smith, Chairman of the Code Authority (Reference: Industrial Relations Committee Folder, Deputy's Files).

The "Plan" of June 21, 1934, adopted by the Industrial Relations Committee, was submitted to the Industrial and Labor Advisory Boards, Research and Planning, Compliance and Legal Divisions. The Compliance Division, amongst other things, took the position that the "Plan" did not set forth satisfactory procedure. The Labor Advisory Board disapproved the Plan and made many criticisms. (Reference: Industrial Relations Committee Folder, Deputy's Files).

J. B. Weaver, Deputy Administrator, thereupon called a conference July 5th when the Industrial and Labor Advisory Boards, Legal, Research and Planning, and Compliance Divisions were represented. The author was absent on vacation. A plan was drawn dated July 5, 1934 containing many of the recommendations of the Compliance Division and the Labor Advisory Board (Reference: Industrial Relations Committee Folder, Deputy's Files).

However, the subject "Plan" departed from some of the provisions that had before been common to both the plans of the Industrial Relations Committee and the Code Authority, and were desired by both; consequently, the author, with the assistance of Howard F. Ralph, Assistant Counsel, and A. J. Doyle, Executive Secretary of the Industrial Relations Committee, made a careful analysis of the three "Plans" of June 21, June 26, and July 5, and drafted a consolidated new plan of July 18, 1935 (Reference: Industrial Relations Committee Folder, Deputy's Files).

"This latter "Plan" was approved or no objections found by Industrial Adviser, Research and Planning, Compliance, and Legal Divisions but certain exceptions were taken by Labor Advisory Board (Reference: Industrial Relations Committee Folder, Deputy's Files). The "Plan" was sent to A. J. Doyle, Executive Secretary of Industrial Relations Committee, and H. Gerrish Smith, Chairman of the Code Authority as of July 26, 1934 by letters signed by the author, H. Newton Whittelsey, Assistant Deputy Administrator. The subject letters explained the new subject "Plan" and advised of the approval already received, and attached copies of the memorandum of July 25, 1934 from the Labor Advisory Board.

There existed at this time general dissatisfaction, of both Industry and Labor, of the situation regarding the Industrial Relations Committee. Industry adhered to its viewpoint that it was to handle its own labor affairs through the Industrial Relations Committee, whose expenses were being paid by Industry, and on a Plan approved by Industry. Labor held that the Industrial Relations Committee should be an independent body and not interfered with by the Code Authority or Industry members.

July 27, 1934, the Washington representatives of Labor appeared before the Sub-Committee of the Committee on Education and Labor of the Senate, David I. Walsh, Mass., Chairman; Royal S. Copeland, N.Y.; Louis Murphy, Iowa; Elbert D. Thomas, Utah; James J. Davis, Pa.; and James T. Clark, Clerk.

Those that testified were Joseph S. McDonagh, Legislative Representative of the International Brotherhood of Electrical Workers, and William A. Calvin, Vice President of the International Brotherhood of Boilermakers and Iron Shipbuilders, both being members of the Industrial Relations Committee, Captain Henry Williams (CC) United States Navy and J. B. Weaver, Deputy Administrator. The shipbuilders were invited to testify, but did not appear. Among those present were Geo. W. Shields III, Assistant Deputy Administrator, and the Author, H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Transcript of the Hearings in Hearings Folder, Deputy's Files)

The Senate Committee's view concerning the situation was conveyed in the following letter (Reference: Order 2-21, Volume, Code Record Section, and Industrial Relations Committee Folder, Deputy's Files):

"David I. Walsh, Mass., Chairman.
Royal S. Copeland, N. Y.
Louis Murphy, Iowa.
Elbert D. Thomas, Utah.
Frederic C. Walcott, Conn.
James J. Davis, Pa.

James T. Clark, Clerk

UNITED STATES SENATE
SUBCOMMITTEE OF THE COMMITTEE ON EDUCATION
AND LABOR
TO INVESTIGATE THE RELATIONSHIP BETWEEN
EMPLOYEES AND CONTRACTORS OF PUBLIC WORKS

(Navy file A1-3/QN(340802) August 2, 1934.

"The Honorable
Claude A. Swanson
Secretary of the Navy
Washington, D. C.

"Dear Mr. Secretary:

"At a recent hearing of the Senate Committee investigating labor abuses, of which I am Chairman, representatives or organized labor appeared, and requested to be heard in regard to certain labor questions arising out of contracts already let and to be let by the Navy Department for the building of naval vessels, funds for which had been allotted to the Navy by the Public Works Administration and also appropriated in the Deficiency Bill for Public Works, and heretofore specifically set aside by the President for naval construction.

"While it was my view as Chairman of this Senate Committee that the matters sought to be referred to our attention by the labor representatives as aforesaid were not in all respects within the purview of the jurisdiction of the Committee, yet, since it was pointed out that a chain of labor abuses would result from failure to pay prevailing rates on this work, and, since it was emphasized that the code for the Industry of Ship Building and Ship Repairing Code, and, if they desired to be heard, the representatives of the Shipping interests. The latter did not appear. The testimony of the others was taken and is submitted in its entirety herewith for your attention.

"In brief, the testimony sets forth substantially the following allegations:

(1) That bids will be received for the building of Naval vessels on August 15th involving about $50,000,000.

(2) That the Ship Building Code signed last year provides for an Industrial Relations Committee to be set up as agreed by the members of the Industry on October 7, 1933, but that such an Industrial Relations Committee has not yet been so set up.

(3) That the provisions relating to labor in the Ship Building Industry Code were less beneficial to labor than the Davis-Bacon Law or the Public Works Administration regulations, and that the zone rates for labor do not apply therein.

(4) That there has been failure to make satisfactory progress on the construction of Naval vessels, which has resulted in the failure to employ the number of workers estimated with resultant injury to labor. This is due, it was testified, to failure to provide engineering plans and designs for construction; further, that no satisfactory progress has been made, and thousands of men have been left out of employment both in private and in navy yards on this new ship construction program until the private yards submit plans to the Navy Department approves these plans.

(5) That the naval progress sheets indicate that the Ship Building Program is considerably behind schedule on all 20 ship contracts heretofore awarded.

(6) That in the existing contracts the rules and regulations of the Public Works Administration are conditionally applicable, but that there is a special ruling by the Public Works Administrator to the effect that the Ship Building contracts shall follow the Code and not Bulletin 51 of the P.W.A. regulations as relating to labor matters.

(7) That the P.W.A. Labor Advisory Board has ruled that if the Code is not deemed to be in effect on the Ship Building Program, that the labor questions arising therefrom shall be referred to the Wagner Labor Board.

(8) That the Ship Building Code is not functioning, and there is no provision in the Code for properly assessing the Industry for the expenses of operating the Code.

(9) That it is the opinion of the Code Administrator that a revision of the Code should be made before the letting of the August 15th contracts in the interests of all parties concerned including labor and the Ship Building Companies.

"I have attempted to summarize only the salient points of the testimony.

"If the facts set forth therein are correct and accurate, it would seem that summary action ought to be taken by the Navy Department to clarify the wage rates and working conditions under which the Ship Building Program is to be carried out before the letting of the next contracts.

"If the Code is to apply, and if it is unsatisfactory to labor, and if no stipulations are to be incorporated into the contracts requiring adherence to prevailing wage rates and the establishment of satisfactory working conditions, then it is clear that in the public interest either the Code should be revised before the letting of the contracts or provisions ought to be written into the contract compelling compliance with P.W.A. regulations or with some other Governmental regulations, which set adequate standards of wages and conditions of work.

"It is, therefore, my opinion, and I strongly urge upon you as recommendations for your consideration,-

(1) That your Department urge and try to arrange for a revision of the Code satisfactory to labor before receiving bids on or letting the August 15th contracts.

(2) That in such revision the Navy Department insist upon the inclusion of a provision setting forth the power and authority of the Industrial Relations Board already created by the Code (but not now functioning) with a budget approved by the Administrator, providing for financing by the Code Authority of the activities of this Board.

(3) That if the above action be impossible or for any reason not feasible, then the Navy Department with the cooperation of the Public Works Administrator ought to promulgate rules and regulations by which wages and working conditions may be maintained at prevailing scales and high standards and incorporate the same into the contracts.

(4) That, in no event, should the Navy Department proceed with the letting of these contracts until the labor questions now pending are resolved by some definite contractual understanding with the contractors.

"I know you will understand, my dear Mr. Secretary, that in forwarding you the testimony adduced at the hearings, together with a summary of the more important facts presented, and sugrested recommendations, that I am acting in the public interest with an eye solely to the performance of my duty and with no desire to appear to be interfering in matters concerning which the Navy Department has original and ultimate jurisdiction.

"Trusting that you may be able to give this matter your immediate attention, so that the conditions complained of hereinabove indicated may be rectified before the letting of the August 15th contracts, and with kindest personal regards,

"Sincerely yours,
/s/ DAVID I. WALSH."

August 8, 1934, a conference on the subject was held by Colonel H. L. Roosevelt, Acting Secretary of the Navy of which the following is a report to the Administrator and was approved by the Administrator. (Reference: Industrial Relations Committee Folder, Deputy's Files)

"August 9, 1934

"MEMORANDUM

"To: The Administrator
From: Administrative Officer
Subject: Conference on Administration of Shipbuilding Code held August 8, 1934.

"1. Conference was held at Assistant Secretary Roosevelt's office, 3:00 p.m.:

Present: Ass't Secretary Roosevelt, Navy Department
Colonel Lynch, N.R.A.
Mr. Battle, Labor Department
Mr. McDonough) Union
Mr. Fry) Representatives
Mr. Whittelsey, Division 2, N.R.A.
Mr. Murray, Division 2, N.R.A.
Mr. Lubin, Labor Department

"2. The proposal advanced by Mr. Battle was to have an Executive Order issued setting up the Industrial Relations Board of the Shipbuilding Industry as a board independent of the Code Authority, supported by funds allotted by N.R.A. and endowed with power to fix hours, wages and labor conditions in the industry; such powers to be given the sanction of a clause in all Shipbuilding contracts let by the Navy Department requiring the contracting concern to abide by the decision of the Industrial Relations Board.

"3. The question of extending weekly hours to 40 was not discussed.

"4. Mr. Roosevelt took the position that he could not consent to any action which would delay the opening of the bids.

"5. I think the position of N.R.A. on this matter should be:

(a) It does not concur in the drafting of an Executive Order on this subject by the Labor Department. This is an incident of code administration which pertains to N.R.A.

(b) The Labor Department should as a matter of procedure outline its desires and recommendations in a letter to the Administrator of Industrial Recovery as to the action which should be taken in the case.

(c) N.R.A. concurs in the desirability of setting up the Industrial Relations Board as a committee independent of the Code Authority.

(d) N.R.A. is not prepared to concur in the transfer to this board of power to alter code provisions or engage in code administration though the board may be authorized to submit recommendations to N.R.A. on these matters.

(e) N.R.A. is not prepared to concur in any arrangement by which the powers of the Code Authority are transferred to the Board.

(f) N.R.A. is willing to allot a reasonable sum to cover the expenses of the committee to include:

1 - Travel expenses on the business of the board.
2 - Office expenses - but exclusive of any expenses incurred by a member in traveling to or from Washington, D. C. to attend meetings of the Board.
3 - N.R.A. will furnish secretarial, clerical, and technical assistance to the Board.

"/s/ G. A. LYNCH
Administrative Officer."

The Secretary of the Navy replied to Senator Walsh by letter August 8, 1934. (Reference: Industrial Relations Committee Folder, Deputy's Files) The following are excerpts:

"In response to your letter of 2 August referring to the complaints of representatives of organized labor who appeared before your committee as to labor questions arising out of our shipbuilding contracts, the questions you raise have been given careful and thorough consideration by this Department and I am

of the opinion that it is highly undesirable to delay the award of contracts for the construction by private industry of these vessels for which bids are to be opened on 15 August. Such a course not only would defer the final completion of naval vessels needed so urgently for the national defense to replace vessels already over age under the Treaty, but would delay for some time the employment of many men in the shipbuilding industry.

"Each of the contracts entered into for the construction of these naval vessels will contain a provision that each contractor and subcontractor shall comply with each approved code to which he is subject. Modifications of or additions to the codes are equally binding whether made prior to or after execution of the contract.

"The formulation and administration of these codes is under the Administrator for Industrial Recovery who has been charged by the President with this duty and the administration of the N.I.R.A. Questions regarding changes and additions to these codes are handled under his direction and this Department has not felt that it had any cognizance as to these questions beyond making recommendations from time to time if requested or as occasion demanded.

"The Navy Department is of the opinion that the questions of Labor abuses brought to the attention of your Committee would not have been raised had the Industrial Relations Board been functioning as contemplated.

"As regards the question of applying the rates of pay stipulated in P.W.A. bulletin No. 51, it must be borne in mind that this industry has other work besides the construction of naval vessels. It must be depended on to build vessels so badly needed by the merchant marine and to repair those in service. The imposing of special rates of pay for employees working on naval contracts would result in difficulties and cause unrest among the workers to such an extent as conceivably to wreck the industry. All of the agencies including the Wagner Board which considered the question concluded that it is desirable that the provisions of the Code should govern wages for the naval work as well as for the other work in these shipyards. It seems evident that this is the equitable course of action and that any other course will lead to very serious difficulties.

"Since most of the points brought out by your letter of 2 August primarily concern matters under the jurisdiction of the Recovery Administration, I am forwarding to General Johnson, the Administrator, a copy of your letter to me, with the request that he give consideration to your recommendations that there be a revision of the Shipbuilding Code satisfactory to labor, including a provision setting forth the power and authority of the Industrial Relations Board as well as appropriate arrangements for financing."

August 9, 1934, letter to Turner W. Battle (Reference: Industrial Relations Committee Folder, Deputy's Files) from Colonel G. A. Lynch, Administrative Officer, set forth the position of N.R.A. as follows:

"August 9, 1934.

"Mr. Turner W. Battle
Assistant to the Secretary,
Labor Department,
Washington, D. C.

"Dear Mr. Battle:

"Reference is made to the conference in Assistant Secretary Roosevelt's office yesterday on the subject of the Industrial Relations Board of the Shipbuilding Industry.

"I have submitted the questions discussed to the Administrator and his views on the matter are as follows:

"1. He does not concur in the drafting of an executive Order on this

subject by the Labor Department. This is an incident of code Administration which pertains to N.R.A.

"2. He thinks the Labor Department should as a matter of procedure outline its desires and recommendations in a letter to the Administrator of Industrial Recovery as to the action which should be taken in the case.

"3. He concurs in the desirability of setting up the Industrial Relations Board as a committee independent of the Code Authority.

"4. He is not prepared to concur in the transfer to this board of power to alter code provisions or engage in code administration though the board may be authorized to submit recommendations to N. R. A. on these matters.

"5. He is not prepared to concur in any arrangements by which the powers of the Code Authority are transferred to the Board.

"6. He is willing to allot a reasonable sum to cover the expenses of the committee to include:

"a. Travel expenses on the business of the Board.

"b. He will approve the furnishing of secretarial, clerical, and technical assistance by the N.R.A. to the Board.

"Very truly yours,

"/s/ G. A. Lynch,
Administrative
Officer."

August 9, 1934, a second conference was held by Colonel Roosevelt with the same persons present and also H. Gerrish Smith, Chairman of the Code Authority.

August 11, 1934, a final conference was held on the subject by

Miss Frances Perkins, Secretary of Labor. Only Departments of the Government were represented. Among those present were Assistant Secretary Roosevelt, Navy Department; Turner W. Battle and Isador Lubin, Labor Department; and Barton W. Murray and H. Newton Whittelsey, National Recovery Administration.

It was agreed that Colonel Roosevelt, for the Navy Department, and Miss Perkins, for the Labor Department, would each write a letter to General Hugh S. Johnson, Administrator, recommending that the Industrial Relations Committee be made independent of the Code Authority, its expenses be paid by National Recovery Administration. Copies of these letters, dated August 13, 1934, are found in Volume Order 2-21, Code Record Section, and Industrial Relations Committee Folder, Deputy's Files.

Reference is made to memorandum, August 14, 1934, to General Hugh S. Johnson, Administrator, from H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Order 2-21 Volume, Code Record Section and Industrial Relations Committee Folder, Deputy's Files) Excerpts of the memorandum are as follows:

> "Reference is here made to the letter of August 2, 1934, to the Secretary of the Navy from Senator David I. Walsh, Chairman of the Senate Subcommittee which is investigating the relationship between employees and contractors on public works. Two conferences in regard to labor conditions in the Shipbuilding Industry were held in the office of Colonel Roosevelt, Assistant Secretary of the Navy, at which all parties in interest participated.
>
> "A later conference was held in the office of the Secretary of Labor, at which the Secretary of Labor, the Assistant Secretary of the Navy and representatives of N.R.A. participated.
>
> "The Navy and Labor Departments have agreed that the complete divorcement of the Industrial Relations Committee from the Shipbuilding and Shiprepairing Industry Committee (Code Authority) is most desirable as a means of removing the final obstacle for the immediate carrying out of the Naval building program. I believe that letters from these two Departments to this effect are now before you. This divorcement can best be brought about by the Administration assuming the necessary expenses of the Industrial Relations Committee.
>
> "From my own observation I am convinced of the almost imperative need of completely separating the Industrial Relations Committee from the Shipbuilding and Shiprepairing Industry Committee (Code Authority) by the assumption of all its necessary expenses by the N.R.A.
>
> "Labor has requested and Industry has agreed that the Committee be relieved of the requirement to appoint the seventh (7th) member and be permitted to continue with the present membership of three (3) Labor members and three (3) Industry members, as both Labor and Industry hold that collective bargaining is better procured by a committee of six (6).

"Therefore, the accompanying Order has been drawn up for the maintenance of the Committee by the National Recovery Administration. In view of the recommendations of the Departments of Navy and Labor and my knowledge of the situation, I recommend the accompanying Order for your approval."

Administrative Order 2421, August 15, 1934, was signed by Hugh S. Johnson, Administrator, before 12:00 noon of August 15 and the Naval bids were duly opened on schedule. Approval was recommended by Barton W. Murray, Division Administrator, Division II. (Reference: Code Record Section and Industrial Relations Committee Folder, Deputy's Files) The Order reads as follows:

"ORDER
CODE OF FAIR COMPETITION
FOR THE
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

"WHEREAS, on March 15, 1934, the Shipbuilding and Shiprepairing Industry Committee passed the following resolution:

'There shall be constituted by appointment of the Administrator for the Shipbuilding and Shiprepairing Industry an Industrial Relations Committee, to be composed of seven (7) members; three (3) to be nominated by the Code Authority to represent the employers, three (3) to be nominated by the Labor Advisory Board of the National Recovery Administration to properly represent the employees in the Industry, and one (1) to be selected by the other six'; and

"WHEREAS, three (3) members of the aforesaid Committee were duly appointed by me on March 26, 1934, from a list of nominees submitted by the Shipbuilding and Shiprepairing Industry Committee, and three (3) members were appointed by me on April 4, 1934, from representatives of employees recommended by the Labor Advisory Board of the National Recovery Administration; and

"WHEREAS, a seventh (7th) member of the said Committee has not yet been selected; and

"WHEREAS, it is desired by both Labor and Industry representatives that a seventh (7th) member of the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry be not selected; and

"WHEREAS, it appears from evidence submitted to me that the Industrial Relations Committee should be independent of and not subject to the jurisdiction of the Shipbuilding and Shiprepairing Industry Committee, which latter Committee is provided for under Section 8 of the Shipbuilding and Shiprepairing Industry Code, and that certain of the expenses of the Industrial Relations Committee should be defrayed out of the funds allotted to the National Recovery Administration;

"NOW, THEREFORE, I, Hugh S. Johnson, by virtue of authority vested in me, do hereby order that the previous orders of March 26, 1934, and April 4, 1934, whereby I appointed the Industry and Employee members respectively, of the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry, be amended by omitting the provision requiring the selection by the Industrial Relations Committee of a seventh (7th) member.

"It is further ordered that the Industrial Relations Committee be and is hereby made independent of and not subject to the jurisdiction of the Shipbuilding and Shiprepairing Industry Committee hereinabove referred to.

"It is further ordered that the National Recovery Administration shall set aside a reasonable portion of the funds allotted to it to cover the Committee's office expenses, travelling and subsistance expenses of each of its members when on official business in connection with the performance of his duties as a member of the said Committee, and funds for the payment of such secretarial, clerical and technical assistance as the Committee may require in the performance of its duties. In addition to the above, each member of the Committee shall be entitled to a per diem of Fifteen Dollars ($15.00) for each day of actual attendance at any and all meetings of the Committee and when on official business for the said Committee, from the time of departure to the time of return; provided, however, that any financial commitments made by the Committee shall be subject to the fiscal regulations of the National Recovery Administration; and provided further, that before any expenses incurred by the Committee or any of its members are paid by the National Recovery Administration vouchers therefore shall be duly authenticated by the Secretary of the Committee and shall be subject to review and disapproval by the National Recovery Administration.

"/s/ Hugh S. Johnson
Administrator for Industrial
Recovery

"Approval Recommended:
/s/ Barton W. Murray
Division Administrator
August 15, 1934."

Administrative Order 2-21, August 15, 1934, hereinbefore cited, so changed the status of the Industrial Relations Committee that certain provisions in the "Plan for Adjustments", dated July 18, 1934, had to be corrected. Also it was desirable to meet as far as possible the certain views of the Labor Advisory Board.

Therefore, the Author drafted a new "Plan", dated August 28, 1934, which was conveyed with a letter, August 29, 1934, to A. J. Doyle, Executive Secretary of the Industrial Relations Committee, from H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Industrial Relations Committee Folder, Deputy's Files and Minutes, September 6, 1934, Industrial Relations Committee Files) Excerpt from the letter is as follows:

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"It is presumed your Committee will examine all Plans that may be before it and on its own authority will develop the Plan which to them best suits the situation and requirements and as promptly as possible forward it to the Administration for approval. I presume definite action will be taken at your next meeting in this matter and upon receipt of the Plan from your Committee it will have immediate attention."

September 6, 1934, meeting of the Industrial Relations Committee. (Reference: Minutes, Industrial Relations Committee Files) Excerpts are as follows:

"The Chairman announced that the next order of business should be a study and discussion of the Plan with a view to possible changes before approval.

"Mr. Woodward announced that he felt he could take no action on the Plan at this time. The Chairman of the Code Authority had not seen the Plan and the members of the Code Committee had had no opportunity to study it. Mr. Woodward stated that he was a representative of Industry on the Committee, and that inasmuch as he did not know the views of Industry members of the Code Committee on the Plan, he was not in a position where he could vote on it.

"Mr. Swan stated that he was in accord with Mr. Woodward's sentiments and that they expressed his own views.

"It was finally determined to make a study of the Plan on the basis of whether or not it met with the approval of the Labor members, and the Industry members might interpose questions to any part or parts of it, their action, however, to be deemed merely a personal study with no commitment of Industry to the Plan.

"The Plan was read by the Chairman, article by article, and compared with the Plan previously approved by the Committee on June 21, 1934.

"Upon completion of the study, a vote was taken on approval of the Plan as amended. The Chairman, Mr. Wharton, Mr. McDonagh and Mr. Calvin found the Plan satisfactory and voted in the affirmative. In accordance with their previously expressed ideas, Mr. Swan and Mr. Woodward did not vote.

"The Secretary was directed to draw up a new Plan, incorporating the changes, amendments and substitutions noted, and to furnish copies to Mr. Swan and Mr. Woodward, it being understood that they would take the plan up immediately with Industry members of the Code Authority and be prepared to consider it finally as soon as possible.

"The new Plan, dated September 6, 1934, as approved by the Labor members, is incorporated in these minutes as APPENDIX B.

"The Chairman invited attention to Article VI, Section 2, of

the Plan, which called for the submission of a budget to the Administrator covering the Committee's estimated expenses.

"After full discussion of the question of a budget, and after hearing Assistant Deputy Administrator Whittelsey on the subject, Mr. Woodward moved that the Executive Secretary be directed to prepare a letter to the Administrator, submitted an estimated budget of twenty five thousand dollars ($25,000) for a period of ten and one-half months, from August 16, 1934, to the end of the fiscal year, June 30, 1935. Motion was seconded by Mr. Calvin and unanimously voted. The Secretary was directed, in the letter of transmittal to set forth the importance of the Committee, the difficulty of estimating the needed sum with any degree of accuracy, and to advise N.R.A. fully that the scope and activities of the Committee might make the proposed estimate an insufficient one."

The new "Plan", dated September 6, 1934, is also filed in the Industrial Relations Committee Folder, Deputy's File.

September 11, 1934, letter to the Administrator from A. O. Wharton, Temporary Chairman of the Industril Relations Committee, set forth the budget (Reference: Industrial Relations Committee Folder, Deputy's Files) The letter was as follows:

"In conformance with Article VI, Section 2, Plan for Adjustment of Complaints and Disputes in the Shipbuilding and Shiprepairing Industry, which provides 'The Committee shall prepare a budget of its estimated expenses which budget shall be submitted to the Administrator for approval' the following motion was seconded and unanimously approved by the members of the Industrial Relations Committee at meeting of September 6, 1934:

"THAT THERE BE SUBMITTED TO THE ADMINISTRATOR FOR NATIONAL RECOVERY A BUDGET IN THE SUM OF TWENTY FIVE THOUSAND DOLLARS ($25,000) TO COVER THE ESTIMATED EXPENSES OF THE INDUSTRIAL RELATIONS COMMITTEE FOR A PERIOD OF TEN AND ONE-HALF MONTHS, FROM AUGUST 16, 1934, TO THE END OF THE FISCAL YEAR, JUNE 30, 1935.

"This sum, following the Administrator's Order of August 15, 1934, may be subdivided as follows:

"OFFICE EXPENSE

"Including telephone and telegraph, postage, and mailing, stationery and supplies, printing and mimeographing, and miscellaneous (rent, furniture and typewriter not included) $2000.00

"TRAVELING AND SUBSISTENCE OF MEMBERS $4000.00

"SECRETARIAL, CLERICAL AND TECHNICAL ASSISTANCE

"Includes an Executive Secretary a $5000, a Technical Assistant a $4800*, and stenographer-file clerk a $1800* $9600.00

"PER DIEM OF MEMBERS $3000.00

"MISCELLANEOUS (Arbitration
(Investigation $6400.00

"*9½ months from September 15, 1934.

"In connection with the submission of this budget, your attention is invited to the fact that it is difficult to visualize at this time the scope and importance which the activities of the Committee may assume. Many investigations will undoubtedly have to be made; there may be numerous occasions where arbitration will be requested; the number of committee and sub-committee meetings may be larger than anticipated; duties may be placed upon the Committee which will greatly increase its activities; data, facts and information must be collected.

"This Committee is of paramount importance. It is responsible for the carrying out of the labor provisions of the Code in connection with contract awards involving hundreds of millions of dollars made by the Navy, War, Treasury, Commerce, and other departments of the government, to private shipbuilding and shiprepairing yards.

"In addition, Resolution passed May 9, 1934, by a Special Board for Public Works, among other things, provides:

> 'Be it Resolved further, That the wage rates on shipbuilding and shiprepairing projects on private shipyards financed with funds allotted by the Public Works Administration, where Public Works Administration Bulletin No. 51 has not been applied, shall likewise be determined by the aforesaid Industrial Relations Committee whenever such adjustment may be hereafter adjudged by such committee to be necessary.'

"The sum allotted for arbitration and investigation may be considerably lower than the amount which must be expended, but it is difficult, if not impossible, at this time, to estimate the needed sum with any degree of accuracy.

"Taking the budget submitted as a whole and considering the possibilities of the Committee, it is possible that the sum requested may be insufficient."

The budget letter was received by the Author and sent forward through Hewitt Crosby, Executive Assistant of Division 2. Reply was received to the effect that there would be no administrative approval of it but it would be filed for reference. No objection was taken by N.R.A.

September 12, 1934, meeting of the Code Authority. (Reference: Minutes Folder, Deputy's Files) The following is excerpted from the Minutes:

"Industrial Relations Committee

"Inasmuch as Colonel Rose had but recently been assigned as Deputy Administrator to handle the Shipbuilding and Shiprepairing Code, the Chairman outlined briefly the entire history of the Industrial Relations Committee in connection with its set-up by Reso Resolution of the Code Authority on March 15, 1934; the plan dated March 16, 1934 and submitted on the same date for its operation; the appointment of members to the Committee and subsequent events. The first plan submitted by the Industry on March 16th, for some reason, had never been transmitted by the Deputy Administrator to the Industrial Relations Committee, so that there was some delay on procedure until the plan which had been jointly prepared by the Industry and our Deputy Administrator received the comments of the Industrial Relations Committee. It was approved by the Committee on June 21st with some changes. All of the changes were not acceptable to the Industry but with a very few changes the plan was returned to N.R.A by the Industry with letters from the Code Authority dated June 26th and 29th, together with a letter from a sub-committee of the Industry to the Code Authority dated June 27th. No further comments were received from N.R.A. until July 27th at which time Mr. H. Newton Whittelsey submitted another plan different from the plans of June 21st and 27th.

"Subsequent events were as follows:-

"On July 27th a hearing was granted labor by Senator Walsh, Chairman of the Senate Committee on Education and Labor. At this hearing Labor alleged labor abuses in the private shipbuilding industry. On August 2nd, Senator Walsh addressed a letter to the Secretary of the Navy calling attention to the statements made by Labor representatives at the hearing on July 27th. In this letter Senator Walsh suggests that summary action be taken by the Navy Department to clarify the wage rates and working conditions under which the shipbuilding program is to be carried out before the letting of the next contracts.

"On the morning of August 9th, a meeting was held in the offices of the Assistant Secretary of the Navy, at which there were present:

Assistant Secretary and his staff
of Bureau Officers

Representatives of those private shipbuilders engaged in Naval construction

"The Assistant Secretary of the Navy was informed that the industry knew of no abuses in the private shipbuilding industry and that there was no reason whatever for delaying the opening of bids or the placing of contracts for new naval construction.

"The morning meeting was followed by a meeting in the afternoon at which there were present:

Assistant Secretary of the Navy and his staff
Two representatives from the Shipbuilding Industry
Representatives of N. R. A.
A representative from the Department of Labor

"At this meeting a proposed Executive Order, prepared by the Department of Labor was presented to the effect that there should be a special board appointed to review shipbuilding wages and working conditions under PWA appropriations as applicable to naval vessels — those now under construction and those for which contracts were to be placed. This meeting was adjourned without any final action but the same parties reconvened the following morning, August 10th, together with representatives of Labor. The proposed Executive Order was thoroughly discussed and the Industry Members present pointed out that the President of the United States by letter dated March 27th had directed all work on Government contracts for shipbuilding and shiprepairing to be performed under the provisions of the Shipbuilding and Shiprepairing Code. As a result of the discussion it was decided at this meeting that there should be a joint meeting on the following day, August 11th, of the:

Navy Department officials
Department of Labor; and
N. R. A.

"Such a meeting was held and it was decided that instead of the special committee discussed the day previous, that the Industrial Relations Committee should proceed under its present set-up but under an Administrative Order which would provide for its financing by NRA with offices in Washington and with six (6) members instead of seven (7).

"In connection with these meetings the following letter was addressed to the Assistant Secretary of the Navy by the President of the National Council of American Shipbuilders, under date of August 10, 1934:

'With reference to the conference of yesterday morning in your office as between the private shipbuilders engaged in naval work and yourself and the further conference in the afternoon with Mr. Battle of the Department of Labor, and the further conference this morning,

'I wish to make the following statement on behalf of the private shipbuilders:

The subjects discussed at our conference were the following:

1. -A letter submitted by Senator Walsh presenting certain statements made by Labor before his Committee at a hearing on July 27, which statements alleged labor abuses in the Private Shipbuilding Industry.

2. - An Industrial Relations Committee in the Shipbuilding Industry set up in connection with its code of fair competition.

3. - A proposed Executive Order presented by Mr. Battle which would provide for setting up a Naval Shipbuilding Wage Board to deal with wages and hours under Title II of the Emergency Appropriation Act for the fiscal year 1935.

'These three subjects have been enumerated in the order in which they arose for discussion, but it is necessary to first discuss briefly the proposed Executive Order prepared by the Department of Labor. This Order, if issued, would give financial control over the expenditures of funds for new naval vessels, bids for which

are scheduled to be opened on August 15.

'I call your attention to the fact that it is necessary in the conduct of work in a private shipyard to conduct this work on a uniform basis of hours and wages if work is to be performed in an orderly manner and expeditiously. The proposed Naval Shipbuilding Wage Board would have jurisdiction over hours and wages that might be wholly different from those prevailing under the Code and might result in a wage and hour condition that would preclude the possibility of securing any commercial work.

'Furthermore, such jurisdiction would apply only during the expenditure of the particular funds appropriated for this Fiscal Year, while future funds for the completion of the contracts would probably be under Increase of the Navy Appropriations.

'By order of the President of the United States all work in the private shipyards, with the exception of a few early contracts placed under PWA funds, is now being carried on under a Code of trade practice and fair competition applicable to all work in process.

'It is necessary in connection with new contracts for naval vessels that the same condition should apply for all work under way in a shipyard, whether Government work or commercial work, and regardless of the appropriation under which such work is performed.

'If this condition is made to apply, then the only other problem referred to in Senator Walsh's letter as needing consideration and which was very freely discussed with you is that of an Industrial Relations Committee. From the statements made by the Members of the Industry at the meeting yesterday, I believe you fully understand the difficulties confronting the Industry in setting up an Industrial Relations Committee of seven; three of whom are Industry Members, three of whom are Labor

Members, and the seventh of whom is to be an impartial member, and for the reasons stated to you we do not believe that this bi-partisan committee will ever function satisfactorily and the Industry, has, therefore, suggested to you, and urgently requests, that this committee should be made up of not more than three disinterested members to be created by Presidential Order. With this in mind we ask you to request the President to extend the duties of the National Steel Labor Relations Board to cover disputes and complaints arising in the Shipbuilding Industry, the extent of the responsibilities of this Board for the Shipbuilding Industry to be the same as those prescribed by the President for the Steel Industry.

"We believe that the two definite suggestions made herein will fully dispose of the problems involved in the discussions in your office this morning.

"On August 15th General Johnson issued an Administrative Order which has not as yet been received by the Code Authority although an unsigned copy has been received which it is presumed is correct

"It is noted that the order would establish an Industrial Relations Committee as independent of and not subject to the jurisdiction of the Shipbuilding and Shiprepairing Industry Committee. The Chairman made clear that it was not thoroughly understood what 'independent of the Code Authority' meant. He did make it clear, however, that the Chairman had taken the position with Mr. Murray Division Administrator of the Shipbuilding and Shiprepairing Code, that any plan of operation of the Committee must be satisfactory to both Industry and N.R.A. and stated that Mr Murray had fully agreed with this view. The Chairman also stated that he had informed Mr. Murray that any plan materially different from that originally proposed by Industry and passed upon by the Industrial Relations Committee on June 21st, would take from three to four weeks for submission to the Industry and action upon it. The Chairman informed the Committee that in the meantime N.R.A., on August 29th, had submitted to the Industrial Relations Committee another proposed plan of operation and had asked the Committee to prepare and submit to N.R.A. for approval, a plan which the Committee would recommend. No copy of this proposed plan nor copy of the letter submitted to the Industrial Relations Committee was sent to the Code Authority. It received, however unofficially, a copy of the proposed plan from one of the Industry Members.

"Under date of July 27th an Administrative Order covering 'Labor Complaints and disputes' was issued by the N.R.A. and in connection with this subject the Chairman asked to have inscribed in the minutes a copy of Administrative Order No. X-69.

"From this point on there was much discussion of the whole subject of Industrial Relations Committee and the Chairman made it clear that the Industry would insist upon its Members working to a plan that is satisfactory to the Industry and stated that it saw no reason whatever, why the plan that had been approved by the Committee on June 21st and which was acceptable to the Industry, with a few modifications, should not be adopted.

"In discussing the question of independence of the Industrial Relations Committee Mr. McDonagh stated that this was necessary because of interference by the Code Authority with a specific Labor matter that had arisen at the Fore River Plant of the Bethlehem Shipbuilding Corporation. In order that the record might be clear the Chairman pointed out that the Committee's plan of operation had not been approved at the time and that the Committee had stricken from the plan a specific requirement to the effect that when a dispute arose that the first step to be taken should be a reference of the matter by letter to the management for a statement of facts in the case. The procedure taken by the Committee was not satisfactory to the Code Authority for the Industry and the telegram in connection with this matter so far as it relates to the subject in question was as follows:

'INDUSTRIAL RELATIONS COMMITTEE SHOULD NOT SEND MEN TO FOREMEN UNTIL PLAN APPROVED BY CODE AUTHORITY FOR SETTLEMENT OF ALL LABOR COMPLAINTS AND DISPUTES IS DEFINITELY ACCEPTED AND IN OPERATION.'

"During the course of the discussion Mr. Joseph Haag, Jr. and Mr. Gerhauser expressed the opinion that the order of August 15th was issued by General Johnson in view of the Naval vessel situation and they asked the Code Authority to view the order in light that a preponderant majority of the industry have no governmental contracts of any kind and that the Board as now proposed is not needed, inasmuch as complaints can be handled through the Code Authority.

"At the end of the discussion Mr Gerhauser offered the following resolution:

'WHEREAS, A plan proposed by the N.R.A. dated August 28, 1934 for the handling of labor relations by an Industrial Relations Committee has been brought to the attention of the Code Authority for the Shipbuilding and Shiprepairing Industry; and

'WHEREAS, the order signed by the Administrator of the N.R.A. on August 15th would make the Industrial Relations Committee independent of the Code Authority; and

'WHEREAS, this proposed plan and order attempts to impose upon the Industry a basically different plan for handling labor relations than that previously submitted to all members of the Industry and approved by a majority of its members,

'BE IT RESOLVED: That the Code Authority take no action at present upon the plan dated August 28th; and

'BE IT FURTHER RESOLVED: That the Administration Member of the Code Authority be requested to consider with the Administration the fundamental differences between the plan previously approved by the Industry and the plan of August 28th, and advise the Code Authority as to further procedure.'

"The resolution was carried.

"At the request of Colonel Ross the Code Authority will submit to him a statement covering the views of the Code Authority as to the plan of procedure forwarded by NRA to the Industrial Relations Committee dated August 28th."

September 13, 1934, meeting of the Industrial Relations Committee. (Reference: Minutes, Industrial Relations Committee Files) The following is excerpted from the Minutes:

"Mr. McDonagh immediately called attention to resolution passed by the Code Authority at meeting of Wednesday September 12, 1934. That resolution was read by the Secretary.....

"Mr. Whittelsey called attention to his telegram dated September 13, 1934, to Mr. Arba B. Marvin, Administration Member of the Shipbuilding Code Authority, which was read by the Secretary and was as follows:

Arba B. Marvin, Administration Member
Shipbuilding and Shiprepairing Industry
Laurel Road
New Canaan, Connecticut

'In view of Administrator's Order August fifteenth making Industrial Relations Committee independent of Code Authority Shipbuilding and Shiprepairing Industry I think it inadvisable that a member of the Administration make analysis of plans for Adjustment of Labor Complaints and Labor Disputes of Industrial Relations Committee Stop Code Authority has available three able Industrial Members of Industrial Relations Committee and an able sub-code Committee with experience on such plans Stop Position that Industrial Relations Committee must adopt by its own authority its own plan should be maintained Stop Please phone or wire Code Authority in accordance Stop Sorry I did not recognize yesterday complications that might arise.

'H. Newton Whittelsey
Assistant Deputy Administrator
Section 4, Division 2.'

"Discussion followed as to the position of the Administration Member of the Code Authority. Mr. Whittelsey defined his duties. He further outlined the position of his superior officers, that the Plan for Adjustment was for the consideration of the Committee, that both Industry and Labor were equally represented on the Committee, and that their representatives should be authorized to take definite action on the Plan, the Code Authority or the Administration Member having no direct say in its approval.

"Mr. Woodward advised the Committee members that after the meeting of September 6th he and Mr. Swan dispatched a telegram to the Chairman of the Code Authority, Mr. H. Gerrish Smith, apprising him of the situation. That in view of the resolution of the Code Authority just noted by the Committee, the position of Mr. Swan and himself had not changed and they were no more able at this time to vote on the plan as representatives of Industry than they were at the meeting of September 6th.

"Mr. McDonagh stated that he felt a deliberate effort had been made to obstruct the setting up of the Committee and that the blame

could be placed entirely on Industry. He gave a resume of the happenings before and since the Committee's meeting of June 21st and alleged a lack of cooperation and a policy of hindrance and obstruction on Industry's part.

"Mr. Woodward felt that N.R.A. changes in the Plan and in the set-up of the Committee had caused the trouble, and questioned whether or not the Code Authority had been furnished copy of the Administrator's Order of August 15th. Also, why copies of the New Plan for Adjustment had not been furnished the Code Authority. Mr. Whittelsey explained that copy of the Order had been sent the Code Authority immediately upon its signing, August 15th, but that copies of the Plan for Adjustment had not been furnished inasmuch as the Committee's new set-up under N.R.A. made it entirely independent of the Code Authority.

"Mr. Wharton stated that there was no question in his mind that if the Code Authority had wanted the Committee to function, it would have been functioning within two weeks after the submission of its original Plan. There has been only one interference, and that the Code Authority. Industry Members on the Committee are in the same position as Labor Members in regard to voting on the Plan. He feels that so long as Mr. Swan and Mr. Woodward are Industry representatives on the Committee, the Committee has some definite orders and must and should proceed; that the whole situation refers back to his original statement that Industry is responsible for the Committee not functioning.

"Mr. McDonagh felt that it was a disgrace for Industry to attempt to wreck the Committee at this time. The members came into the Committee with ideals and hopes that the Committee would be a functioning body and of great assistance to Industry. He called attention to the fact that no meeting of the Code Authority had been held from April 24, 1934 to September 12, 1934, and that apparently the Code Authority meeting was brought on by the definite approval of the Labor Members of N.R.A.'s Plan for Adjustment.

"Mr. Calvin felt that in view of all the circumstances, and the efforts to obstruct the Committee by Industry, a report of the whole situation should be submitted to the Administrator.

"The Committee came back after recess at 2:04 P.M. Mr. Woodward advised that during recess he and Mr. Swan had reached Mr. Smith on the telephone, advised him of the situation and asked him to settle matters definitely in order that Industry's representatives on the Committee might be able to act. He advised that Mr. Smith notified him that he would put in the mail, not later than Thursday night, the 13th, a letter addressed to N.R.A. and setting forth the comments of Industry on the Plan for Adjustment of August 28th that, further, he would be in Washington On Monday, September 17th, and would then take the question up with N.R.A. officials in an effort to straighten the situation out.

September 17, 1934, Meeting of the Industrial Relations Committee (Reference: Minutes, Industrial Relations Committee Files). The following is excerpted from the Minutes:

"The matter of a Plan for Adjustment of Complaints and Disputes was then taken up.

"Mr. Woodward advised the Committee that in an effort to clear the situation up, he and Mr. Swan had been together in the morning and had drawn up a Resolution. Copies of this Resolution were furnished each of the members, informally.

"Discussion ensued as to why the Committee's Plan for Adjustment of June 21, 1934, should now be considered at all in view of the Administrator's Order of August 15th, and the different set-up of the Committee under the terms of that Order.

"Mr. Woodward explained that there was no effort on the part of Mr. Swan and himself to substitute the old Plan for the one of September 6th, or to impose it on the Committee; that their idea of bringing the Plan of June 21st up for consideration was simply an attempt on their part to have a plan approved by the Committee under which it might proceed with the business before it. That the whole question of the new plan of September 6, 1934, and the Administrator's Order of August 15, 1934, is a matter between N.R.A. and Industry, and that the question must be settled between them, When that question is decided, a new Plan for Adjustment may be devised and the Industry members of the Committee can then properly vote. He had not been informed that Industry has accepted the Administrator's Order of August 15th.

"Mr. Whittelsey advised that it was clearly understood by all concerned that the new set-up of the Committee was satisfactory and it was on that understanding that the Navy bids were opened on August 15th.

"Mr. Wharton stated that it was his understanding at the last meeting that the Industry members would find out just where they stood and would come to this meeting prepared for some definite action.

"Mr. Woodward claimed that he and the other Industry members were appointed to the original Committee, established uponrecommendation of the Code Authority. The new set-up, under the Administrator's Order of August 15th, is a different one and, as he understands it, has not been approved by the Industry as yet.

"Mr. Wharton stated that the new set-up was made because the Code Authority would not allow the Committee to function. There were various labor and other problems in connection with the Industry, and something had to be done looking to their settlement. This resulted in the Adminstrator's Order of August 15th.

"Mr. Woodward advised the Chairman that, in order to dispose of the matter, he would like to move acceptance of the Resolution

prepared by Mr. Swan and himself.

"The Chairman advised that such a motion would be out of order that it was not a proper question to come before the Committee in view of the Administrator's Order of August 15th.

"Mr. Swan stated that, in view of the Chairman's statement, it seemed that all the Industry members could do was to write a letter to the Chairman stating that Mr. Woodward and he, in an attempt to devise some suitable plan of procedure under which the Committee's work could be carried along until the major questions at issue were settled, had proposed to submit a Resolution made jointly by them.

"Mr. Woodward and Mr. Swan then prepared a letter to the Chairman.

" Mr. Wharton, for the Labor members, then prepared a statement for the record.

"That letter of the Industry members to the Chairman of the Industrial Relations Committee, and the statement of the Labor members of the Committee are incorporated in these minutes and follow immediately hereafter.

"Washington, D.C.
September 17, 1934

"Mr. A. O. Wharton, Chairman,
Industrial Relations Committee
Washington, D.C.

"Dear Mr. Wharton:

"While the question of the status of the Industrial Relations Committee as affected by the Administrator's Order of August 15, 1934, and as set forth in the Plan for Adjustment of Complaints and Disputes in the Shipbuilding and Shiprepairing Industry of August 28, proposed by N.R.A. is under discussion between the Industry and the N.R.A. the Industry members of the Industrial Rlations Committee feel that, pending a settlement of this question, the Committee can function under the plan approved on June 21, 1934, and accordingly offer the following resolution:

'WHEREAS, The Industrial Relations Committee on June 21, 1934, unanimously adopted a plan for adjustment of complaints and disputes in the Shipbuilding and Shiprepairing Industry, and

'WHEREAS, A letter dated June 29th, 1934, from the Chairman of the Shipbuilding and Shiprepairing Industry Committee (Code Authority) to the Administrator, National Recovery Administration, indicates that a majority of the Industry Members of the Code Authority have approved said plan with certain modifications, and

'WHEREAS, It now appears that the expense of the Industrial Relations Committee are being borne by the N.R.A. instead of by theCode Authority as contemplated in said plan,

'NOW, THEREFORE, BE IT

'RESOLVED, That in order that the Industrial Relations Committee may proceed in the exercise of its functions looking to the adjustment of labor complaints and disputes, the plan adopted June 21, 1934, be amended to conform to the above modifications, and furthermore be it

'RESOLVED, That the amended plan be submitted to the Administrator, National Recovery Administration, and his approval be requested.

'We understand that in view of the Adminstrator's Order above referred to you consider this resolution out of order and so rule.'

"Yours very truly
/s/ James Swan
/s/ J. B. Woodward, Jr.

"September 17, 1934.

"It is our understanding of the position of the Management Members of the Industrial Relations Committee of the Shipbuilding and Shiprepairing Industry that they can not proceed with the work of the Committee until they are advised by the Code Authority of the Industry that the Order issued by General Johnson as Administrator of the National Recovery Administration, dated August 15, 1934, creating this Committee as an agency independent of the Code Authority, is acceptable to the Industry. It is our further understanding that the Order of August 15, 1934 supersedes all previous orders relating to this Committee, and that subsequent to August 15th we, as a Committee, are required to function in keeping with provisions of said Order.

"/s/ A. O. Wharton
/s/ W.A. Calvin
/s/ Joseph S. McDonagh

" At 4:15 the Industry members went with Mr. Whittelsey and Captain Williams to Room 606 for a discussion of the situation.

"They returned to the meeting room at 4:50

"Mr. Whittelsey suggested that certain changes in the Plan for Adjustment of September 6, 1934, might make the plan agreeable to all concerned.

"Mr. Woodward stated that he and Mr. Swan were prepared to vote approval of the Plan if the following changes were made:

"In Article II, line 4, strike out the words 'independent of the Code Authority,'".

"In Article IV, Section 1, line 3, change the comma',' after the words 'Relations Committee' to a period '.', and strike out all remaining matter in the Section beginning with and including the words'but the Committee' up to and including the words'are being complied with'.

"The members discussed the importance of these two articles, the Chairman and Mr. McDonagh contending that the phrase 'independent of the Code Authority' was entirely correct in view of the Administrator's Order of August 15th, and that Article IV gave the Committee powers which it should rightfully have.

"Mr. Swan and Mr. Woodward contended that these changes must be made before they could vote an approval of the Plan, and that by voting on the Plan, if such changes were made, they were assuming a personal liability to the Industry solely for the purpose of giving the Committee a Plan which would allow it to proceed with its duties.

"Mr. Wharton stated that such changes might be considered except for the manner in which the Industry has acted. He has seen no evidence that there is any desire on their part to go along on matters of this kind.

"The Chairman and Mr. McDonagh being unable to agree to the deletions from Articles II and IV which Mr. Swan and Mr. Woodward insisted were necessary before they could vote approval of the Plan, the members disbanded at 6:00 P.M., without formal adjournment.

"An engagement of Mr. Calvin made it necessary for him to leave the meeting at 5:15 P.M.

"Captain Williams left at 5:30 P.M."

Referring to the foregoing incident at 4:15. The parting of Industry and the Labor representatives, located in Washington, had been widening for months and finally at this time the Industry members were ready to walk out, followed by the Labor members, and that would have been the end of that Committee as constituted. Therefore, the Author's request to talk with them privately.

The substance of the Author's conversation was:

1. That there must be an Industrial Relations Committee for the Industry.

2. That if the Committee members could not agree on a "Plan" and then function properly, that papers would be immediately drawn terminating the Committee, and requesting the National Labor Relations Board to appoint a new nonpartisan committee of three for a new Industrial Relations Committee, and further that the Author would make every

effort to have it approved by the Administration.

3. That the Industry members had already informally approved all provisions of the Plan of August 28, as amended by the Labor members of the Committee September 6, except two points as follows:

(a) That in Article II, line 4, the wording "independent of the Code of the Code Authority" was not essential in the "Plan", but if it was objectionable to the Code Authority, the Author would recommend its deletion.

(b) That in Article IV, Section 1, line 3, after the words "Relations Committee" the deletion of the balance of the paragraph, would not change in any practical way the powers of the Committee. It merely cited that the Committee could investigate any Labor dispute even if not requested, which could be easily brought about under every plan that had been drawn. Therefore, the Author was willing to recommend this deletion in view of the fear of Industry, that every plant might have an investigator of the Committee in its midst.

When the Author returned with the Industry members to the Committees Room, he was quite confident that the labor members would be pleased that the last point of dissension between the two sides could be eliminated. However, the situation had become so tense that Labor was not ready to immediately go ahead. The meetings were businesslike and quiet and no harsh language was used, even under the tension. The labor members appeared at the time to be of the opinion that the Code Authority intended to nullify the effects of Administrative Order 2-21 dated August 15, 1934, whereby the Committee was made independent of the Code Authority.

September 18, 1934, the Author requested Joseph S. McDonagh, Labor member of the Committee, to attend a conference, which occurred in the morning. He set forth the same points to Mr. McDonagh that had been used with the Industry members of the Committees the day before and tried to impress upon Mr. McDonagh that the American Federation of Labor would likely lose its representation on the Shipbuilding Industrial Relations Committee, if the Labor members on the Committee were not disposed to go ahead and agree upon the Plan of September 6 as it was proposed to an amendment. The Labor members on the Committee at this time were shortly to go to the American Federation of Labor convention at San Francisco and would probably be away for a period of three weeks and it was, therefore, necessary to obtain favorable action immediately from the, Mr. McDonagh said that he would confer with the other Labor members of the Committee, and at 2:30 in the afternoon he telephoned the Author that they would agree to the Plan of September 6 as it was proposed to amend it.

Thereupon Mr. A. J. Doyle, Executive Secretary of the Committee, was telephoned and so advised of the agreement of the Labor members and requested to immediately communicate with the Industry members and receive confirmation from them of their agreement. Mr. Doyle made every effort to accomplish this, but he did not fully succeed.

September 19, 1934, the Author called Mr. H. Gerrish Smith,

Chairman of the Code Authority, at the offices of the Code Authority in New York. He recounted the same points as heretofore set forth and requested Mr. Smith to call a meeting of the Code Authority and duly authorize the Industry members of the Committee to act. Mr. Smith agreed that he would put the matter before the Code Authority.

September 21, 1934, letter to H. Newton Whittelsey, Assistant Deputy Administrator, from H. Gerrish Smith, Chairman. (Reference: Industrial Relations Committee Folder, Deputy's Files) Mr. Smith wrote as follows:

> "We had considerable discussion at our meeting yesterday on the Industrial Relations Committees for the Shipbuilding and Shiprepairing Industry, but as I told you, this was a National Council of American Shipbuilders meeting and many interested members were not presented.
>
> "I have called a meeting for Thursday, September 27th, at 2:00 P.M., the earliest date at which I can get out members together to consider this matter and I will advise you promptly thereafter as to the results of this meeting."

September 27, 1934, letter to Industry members of the Industrial Relations Committee, J. B. Woodward, James Swan and L. Y. Spear, from H. Gerrish Smith, Chairman of the Code Authority. (Reference: Industrial Relations Committee Folder, Deputy's Files) The letter reads as follows:

> "At a meeting in this office today at which there were present five of the Industry members of the Code Authority together with seven other representative shipbuilders and shiprepairers, it was unanimously voted that the industry should proceed with a set-up of its Industrial Relations Committee and to advise its Industry Members that the plan dated August 28th, 1934, submitted to the Industrial Relations Committee by the N.R.A. is satisfactory to the Industry with the following changes.
>
> "Article II, Lines 3 and 4, eliminate the words 'independent of the Code Authority'.
>
> "Article IV, Lines 3, 4, 5, 6, and 7, eliminate the wording 'but the Committee may take cognizence of impending Labor Disputes and act without the formality of a complaint having been filed, or may, on its own motion, conduct in-vestigations to determine whether the Labor provisions of the Shipbuilding and Shiprepairing Code are being complied with'.
>
> "It is understood that the Industry Members of the Committee have already agreed to vote favorably on the plan dated August 28th with these eliminations."

October 3, 1934, letter to H. Newton Whittelsey, Assistant Deputy Administrator, from A. J. Doyle, Executive Secretary, Industrial

Relations Committee (Reference: Order 2-22 Volume, Industrial Relations Committee Folder, Deputy's Files). The letter reads as follows:

> "There are enclosed five copies of a Plan for the Adjustment of Complaints and Disputes in the Shipbuilding and Shiprepairing Industry, approved by the Industrial Relations Committee."

The Plan accompanying the above cited letter of October 3, 1934, dated and known as the Plan of October 2, was the Plan of September 6 modified as per the agreement of the respective Industry and Labor members. The subject Plan was duly sent to the Labor Advisory Board, Compliance Division, Legal Division, Research and Planning Division and Industrial Advisory Board for their recommendations.

November 1, 1934, Administrative Order 2-22, signed by W. A. Harriman, Administrative Officer, and approval recommended by Barton W. Murray, Division Administrator, Division II. (Reference: Code Record Section, Industrial Relations Committee Folder, Deputy's Files). The Order reads as follows:

"ORDER
CODE OF FAIR COMPETITION
FOR
SHIPBUILDING AND SHIPREPAIRING INDUSTRY

"WHEREAS, due to a labor emergency in the Shipbuilding and Shiprepairing Industry, and by virtue of Orders Dated March 26, 1934 and April 4, 1934, as amended August 15, 1934, there was constituted by appointment of the Administrator an Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry; and

"WHEREAS, The Industrial Relations Committee was, on June 13, 1934, temporarily recognized by the Administrator as the agency to handle labor complaints and labor disputes for the Shipbuilding and Shiprepairing Industry, subject to the following conditions subsequent:

> '1. That the seventh member of said Committee be selected at the next regular meeting of said Committee.
>
> '2. That said Committee submit to this Administration for approval before June 30, 1934, complete plans of procedure for handling labor complaints and labor disputes'; and

"WHEREAS, by Administrative Order of August 15, 1934, the first condition subsequent was dispensed with; and

"WHEREAS, the second condition subsequent was complied with; and

"WHEREAS, a plan of procedure for handling labor disputes in the Shipbuilding and Shiprepairing Industry has been officially approved;

"NOW, THEREFORE, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order 6859, and otherwise, does hereby order, subject to any pertinent rules and regulations issued by the National Industrial Recovery Board and to the right of the National Industrial Recovery Board to make such changes in the authorization herein granted as may seem to it necessary in order to effectuate the policies of Title I of the National Industrial Recovery Act, that

"Said Industrial Relations Committee be, and it is hereby officially authorized to proceed with the handling of labor complaints and labor disputes arising under the Code for such Industry, pursuant to the approved plan of procedure.

"Approval Recommended: NATIONAL INDUSTRIAL RECOVERY BOARD
/s/Barton W. Murray By /s/W. A. Harriman
Division Administrator Administrative Officer."
November 1, 1934,
Washington, D. C.

Reference is made to memorandum of October 26,1934, to Colonel G. A. Lynch, Administrative Officer, from H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Order 2-22 Volume, Code Record Section, and Industrial Relations Committee Folder, Deputy's Files) The memorandum reads as follows:

"Temporary authority to the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry for handling Labor Complaints and Labor Disputes was conveyed in the letter of the Administrator to the Chairman of the Committee under date of June 18, 1934, subject to two conditions.

"The first of these conditions was deleted by Order of the Administrator dated August 15,1934, and the second has been made by the Committee. Legal Counsel advises me the Committee is empowered under the authority thus conveyed in this letter.

"However, the situation is misunderstood and the authority questioned by certain Regional Labor Boards and Field Branches of Compliance, and

"Further, in view of the change in the status of this Committee by Order of the Administrator, dated August 15, 1934, it is desirable that a new Order of Authorization for the handling of Labor Complaints and Labor Disputes be issued.

"I, therefore recommend for your signature the approval of the Order."

(Mr. W. A. Harriman became Administrative Officer November 1, 1934, in place of Colonel C. A. Lynch, resigned.)

November 7, 1934, Administrative Order 2-23, signed by Barton W. Murray, Division Administrator, Division II, and recommended by W. W. Rose, Deputy Administrator. (Reference: Code Record Section, and Industrial Relations Committee Folder, Deputy's Files) Excerpts from the Order are as follows:

"Said Plan of Procedure for adjustment of labor complaints and disputes, the original of which dated October 2, 1934, is on file with the National Recovery Administration, be and it is hereby approved, with the exception of the following provisions:

"Article VII, change to read:

'All records of cases shall conform with the requirements of the National Recovery Administration, and may be inspected by the Advisory Boards of the said Administration. The Complainant and Respondent shall each receive a copy of the ruling and copies of adjustments and settlements. A copy of all rulings, adjustments and settlements shall be filed with the Code Authority, The National Recovery Administration, the Compliance Division and the Labor Advisory Board of N.R.A. Bi-weekly reports of activities shall be made to the Code Authority, the National Recovery Administration and the Compliance Division of N.R.A.'

"Article VIII, Paragraph (a), change to read:

'The Committee, in its handling of Labor Complaints which are received by it, shall proceed in accordance with the procedure herein outlined, which is in accordance with N.R.A. Bulletin No. 7, and which procedure is subject to N.R.A. Bulletin No. 7 and any modification, amendments or substitutions thereto.'

"Article VIII, Paragraph (f), change to read:

'Upon receipt of a Complaint of a Code violation, the respondent shall be advised by registered mail of the nature of the Complaint, and the particular provision of the Code which it is alleged he is violating, and shall be sent a copy of the Code and a copy of the statement "Information for Persons charged with Violations of N.R.A. Codes"

and asked for a statement of his or its position within five (5) business days of the receipt of such notice. In the event the respondent does not reply within five (5) business days, plus reasonable allowance for transmittal in the mails, he or it shall be advised the second time in the same manner as above provided by registered mail, but with return receipt requested. The name of the complainant and any matter which would tend to identify him, shall be withheld.'"

Reference is made to memorandum of November 5,1934, to Barton W. Murray, Division Administrator, from H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Order 2-23, Volume, Code Record Section, and Industrial Relations Committee Folder, Deputy's Files) Excerpts from the memorandum are as follows:

"1. This is a report of a Plan proposed by the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry for handling Labor Complaints and Labor Disputes.

"4. The Industrial Advisor recommends approval subject to a modification of Article VIII Sub-Section (f), to the effect that a copy of the Code shall accompany the leaflet 'Information for Persons charged with Violation of N.R.A. Code' and subject also that a definite time be allowed the respondent to reply.

"5. Research and Planning writes that the subject has no economic significance and therefore Research and Planning has no comments to offer.

"6. Compliance Division approves except in regard to the following points:

(a) Recommends an additional Member to the Committee.

This would be contrary to the agreement as carried out in the Administrative Order of August 15, 1934.

(b) Request is made for by-weekly reports.

"7. The Labor Advisory Board approves except that it notes that an earlier provision of the Plan has been omitted, to-wit; to authorize the Committee to investigate compliance with the labor provisions of the Code although no complaint has been filed with it, and the Board recommends that this be added to the draft. However, the Committee has been broadly authorized by the National Industrial Recovery Board to handle labor complaints and labor disputes after the filing of the complaints. The addition of such a provision could neither extend the actions of the Committee nor would the omission of such a provision act to restrict their actions.

"8. The Legal Division approves subject to the change in Article VII in Records of Complaints and Disputes, Article VIII in Procedure for handling Labor Complaints (a) and (f) as per the redraft of these sections hereinafter set forth in the Order.

"9. I have given careful study to the plan submitted and believe it is comprehensive and practical. I, therefore recommend that you approve the plan, with the exception of the following provisions; Article VII, and Article VIII (a) and (f) to be made to read as set forth in the Order to meet the requirements of the Industrial Advisor and Compliance Division.

"10. I recommend for your signature the approval of the Order."

November 7, 1934, meeting of the Industrial Relations Committee. (Reference: Minutes of Meeting, Industrial Relations Committee File) The following are excerpts from the minutes:

"The Committee first noted Order, Code of Fair Competition for Shipbuilding and Shiprepairing Industry, of the National Industrial Recovery Board, dated November 1, 1934, copies of which had previously been furnished members.

"The By-Laws of the Committee, as approved March 28, 1934, and as amended April 11, 1934, being deemed in need of revision, Mr. Swan suggested that consideration be given by the Committee to a revision of those By-Laws. After discussion and consideration, the following changes were tentatively noted, without objections. . . . . .

"At 4.00 P. M., Assistant Deputy Administrator Whittelsey came in and announced that the Order approving the Plan for Adjustment had been signed. The Secretary read copy of the Order . . . . . .

"Mr. Woodward moved that Articles VII, VIII (a) and VIII (f) of the Committee's approved Plan for Adjustment, dated October 2, 1934, be revised to conform to the requirements of the Order of November 7, 1934, of the National Industrial Recovery Board, and that the Plan, as revised, be approved in its entirety by the Committee. Mr. McDonagh seconded the motion and it was unanimously carried.

"The Plan for Adjustment of Complaints and Disputes in the Shipbuilding and Shiprepairing Industry, dated October 2, 1934, as revised and approved November 7, 1934, is incorporated in and made a part of these minutes as Appendix A.

"Mr. Woodward then moved the adoption by the Committee of the revised By-Laws as a whole. Mr. McDonagh seconded the motion and it was unanimously carried.

"Second Day - November 8, 1934.

"In view of the Administrator's Order of August 15, 1934, Order of the National Industrial Recovery Board dated November 1, 1934, and Order of the National Industrial Recovery Board dated November 7, 1934, it was deemed advisable to reappoint the officers of the Committee.

"Mr. Woodward nominated Mr. A. O. Wharton as Chairman, Mr. Swan seconded the motion, and it was unanimously carried.

"Mr. Wharton nominated Mr. J. B. Woodward, Jr., as Vice Chairman, Mr. McDonagh seconded the motion, and the motion was unanimously carried.

"Mr. McDonagh moved the ratification of Mr. A. J. Doyle as Executive Secretary of the Committee, Mr. Woodward seconded the motion, and the motion was unanimously carried."

The "Plan for Adjustment of Complaints and Disputes in the Shipbuilding and Shiprepairing Industry," dated October 2, 1934, as revised and approved November 7, 1934, is marked Exhibit P, Appendix.

The By-Laws as revised and adopted November 7, 1934, are in the By-Laws Folder, Industrial Relations Committee File, and in the Industrial Relations Committee Folder, Deputy's Files.

November 15, 1934, letter to H. Newton Whittelsey, Assistant Deputy Administrator, from A. J. Doyle, Executive Secretary, conveyed the Plan as approved and amended November 7, 1934, by the Industrial Relations Committee. The Plan was duly submitted November 16, 1934 to Emmett P. Delaney, Assistant Counsel, by memorandum from H. Newton Whittelsey, Assistant Deputy Administrator.

November 17, 1934, Emmett P. Delaney, Assistant Counsel, sent a memorandum to H. Newton Wittelsey, Assistant Deputy Administrator approving the Plan as follows:

"You are authorized to acknowledgethe receipt of the revised plan and to advise this committee that the plan as now received has the approval of the National Recovery Administration. It is my opinion that no further order is required to make this plan effective.

November 20, 1934, letter to A. J. Doyle, Executive Secretary from H. Newton Whittelsey, Assistant Deputy Administrator. The following is an excerpt from the letter.

"The Legal Division has examined the foregoing matter and authorized me to advise your Committee that the Plan as now received has the approval of the National Recovery Administration and that no further Order is required to make the Plan effe tive."

Copies of the above cited communications found in Order 2-23 Volume, Industrial Relations Committee Folder, Deputy's Files and Code Record Section.

Thus, the Industrial Relations Committee was finally established eight months after the resolution of the Code Authority March 15, 1934.

2. Activities and Accomplishments of the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry

The meetings of the Industrial Relations Committee were characterized by efficiency, serious thinking, tolerance and a real effort on the part of all members to be fair. They were exceedingly well conducted. The Minutes of the meetings are briefed as follows to include important actions and discussions. (Reference: Minutes, Industrial Relations Committee Files).

Meeting of March 28, 1934.

Those present were Lawrence Y. Spear and John B. Woodward for Industry; Arthur O. Wharton, Joseph S. McDonagh and William A. Calvin for Labor, and Charles E. Winship, Jr., Howard E. Ralph and Patrick Conway for N.R.A.

Meeting called by J. B. Weaver, Deputy Administrator. Mr. A. O. Wharton elected temporary Chairman. Mr. J. B. Woodward elected temporary Secretary. After full discussion the By-Laws were adopted. Meeting adjourned subject to call of J. B. Weaver, Deputy Administrator.

Meeting of April 2, 1934

Those present were Lawrence Y. Spear and John B. Woodward for Industry; Arthur O. Wharton (Chairman), Joseph S. McDonagh, and William A. Calvin for Labor, and Charles E. Winship, Jr., for N.R.A.

Mr. Winship reported "that the Code Authority Organization Committee of N.R.A. had recommended that, the Industrial Relations Committee be given authority for a period of sixty days to adjust complaints on references and disputes. (The Author points out that the Code Authority Organization Committee recommended that the Code Authority be given this authority) (Reference: Administrative Order 2-9A Volume, Code Record Section and Industrial Relations Committee Folder, Deputy's Files).

Regional Adjustment Agencies were discussed and it was tentatively agreed that five district should be set up as follows:

1. Atlantic Coast North. 2. Atlantic Coast South. 3. Gulf Coast. 4. Pacific Coast. 5. Great Lakes. The Secretary was requested to obtain from H. G. Smith, Chairman of the Code Authority, a list of the plants in the Industry with location of each, present number of employees and capacities. Resolutions passed to permit testing installations, machinery and equipment for ships, dock trials and sea trials.

Request of certain concerns, represented by Harrison S. Robinson, doing shiprepair work in San Francisco Bay for exemption from the wage provisions of the Code was considered and the decision was against granting such exemption. (This request had reference to exemption from Part 4, paragraph (b) which required that employees be paid a weekly wage for 36 hours not less than they were paid for 40 hours prior to July 1, 1933.

Meeting April 10, 1934

Labor Members of the Committee had been appointed April 5, and James Swan, Industry Member, had been appointed in place of George H. Bates, resigned.

Those present were Lawrence Y. Spear, John B. Woodward and James Swan for Industry; Arthur O. Wharton (Chairman), Joseph S. McDonagh, and William A. Calvin for Labor and Charles E. Winship, Jr., for N.R.A.

The Committee ratified the actions taken at the previous meetings of March 28, 1934 and April 2, 1934. Committee of Messrs. Wharton and Woodward appointed to call upon the National Labor Board to learn their attitude toward the Committee's Responsibility in the matter of Labor disputes.

Copy of letter of April 4, 1934, from Hugh S. Johnson, Administrator, requesting the Committee to study wage problems arising from the establishment of 36 hour week, and to equalize by negotiations any unfair competitive inequalities. Action was referred. Letter of April 9, 1934, from William H. Davis, National Compliance Director, enclosing a letter from Captain Henry Williams (CC) USN in reference to labor unrest at Bath, Maine and the 40 hour week question. Plan for adjustment of complaints and disputes was submitted, discussed and approved. Alleged violations of the Code by United Dry Dock Corporation, who were requested to submit a statement relative to the circumstances of the case.

Meeting of April 25, 1934

Those present were Lawrence Y. Spear, James Swan, and John B. Woodward for Industry; William A. Calvin and Joseph S. McDonagh for Labor, and A. J. Doyle, Executive Secretary. In the absence of Mr. Wharton, Mr. Calvin was elected acting Chairman.

Letter from H. G. Smith, Chairman of the Code Authority, dated April 10, 1934, regarding San Francisco Bay case before National Compliance Director.

The following complaints were received and the Executive Secretary instructed to acknowledge and proceed with investigation of the cases: Tom Ray, International Brotherhood of Boilermakers, re welders employed by certain firms in the Oregon District; J. N. Davis, International Brotherhood of Boilermakers re disagreement wages and working conditions Gulf Coast District; J. N. Davis re preferential rate recently established Buffalo Dry Dock Company, and letter of April 23, 1934, from Deputy Administrator relative to the complaint against Todd Shipbuilding and Dry Dock Company. Complaint of April 14, 1934, Council of Carpenters alleging violations in the San Francisco Bay Area. Alleged unfair differential in wages between the Bethlehem Shipbuilding Corporation and repair shops San Francisco Bay District. It was decided the matter would be considered along with the general question of unfair competitions. The Committee was advised by telephone that the Code Authority had been allocated $3,000 for its expenses.

Committee interviewed two prospective Executive Secretaries and on motion engaged A. J. Doyle of Washington at $5,000 a year, effective April 24, 1934.

Meeting April 26, 1934

Those present were John B. Woodward and James Swan for Industry; William A. Calvin and Joseph S. McDonagh for Labor, and A. J. Doyle, Executive Secretary.

Extension of 3 (c) of the Code was considered and recommended. The following complaints were considered and the Secretary instructed to acknowledge their receipt: E. H. Mills, International Brotherhood of Boilermakers, re: Reestablishment double time for all overtime work as prevailing custom up to April, 1933, in the Port of New Orleans; P. A. Delcuze, International Brotherhood of Boilermakers, re: Code complaints at New Orleans and Mobile, and E. A. Howard, International Brotherhood of Boilermakers, re: Galveston Ship Repairers. Letter from Code Authority quoting resolution of the Code Authority to the effect that the strike situation of the New York Shipbuilding Company be placed in the hands of the Industrial Relations Committee Messrs. McDonagh and Woodward appointed to interview Messrs. Miller and Wolf of the National Labor Board in reference to the situation. Meeting adjourned and reconvened.

Committee of Messrs. McDonagh and Woodward reported that the National Labor Board had assumed no jurisdiction, the matter being in the hands of the Labor Department. Mr. Elliott of the Labor Department thought that the situation was bad, not much could be done by the Committee, or any other body. Mr. Chappell of the Labor Department had been in Camden, was liked by both officers and employees, but had no success. Mr. Elliott suggested that Mr. Chappell be contacted. Complaint of Adolph Dereng, discharged by the Newport News Company "to give certain men longer working hours." Executive Secretary directed to proceed with the case. Complaint against United Dry Docks. No report from inquiry that had been received.

Meeting of May 16, 1934

Those present were Lawrence Y. Spear, John B. Woodward, and James Swan for Industry; Arthur O. Wharton (Chairman), William A. Calvin and Joseph S. McDonagh for Labor and A. J. Doyle, Executive Secretary. All members present.

San Francisco Bay Area case considered. A protest of unfair wage inequality existing in San Francisco Bay Area. Resolution of the Code Authority April 24, 1934, relative to the establishment of the office of the Committee at 11 Broadway, New York City. No action taken. Mr. Swan submitted Code Authority's Plan for adjustment of complaints and disputes. Executive Secretary instructed to make a study of the Plan in comparison with the Committee's Plan of April 11, 1934.

Resolution of the Public Works Administrator discussed. Committee was instructed to make a study of wages specified under Public Works

Program No. 51.

Secretary of Labor desired three Governmental representatives appointed to the Committee. The Committee felt that no additional members should be appointed. Letter written to J. B. Weaver, Deputy Administrator. Amongst other things was set forth the following: "It is the further belief of this Committee that is formation should constitute it as an independent judicial body for the purposes set forth above; a Committee not subject to the authority or review of any Governmental Agency or body other than the Administrator or subordinate to the Code Authority in its handlings of problems properly submitted to it. The Committee then returned to the consideration of a resolution of the P. W. A. Board. Committee called on Deputy Administrator J. B. Weaver to learn if its authority and scope had been accurately defined. Nothing definite was learned.

San Francisco Bay Area case again discussed. Further information requested. Two protests of designers and loftsmen of the extension of 3(c) of the Code received from employees of United Dry Dock Inc. and the New York Shipbuilding Company. Executive Secretary empowered to secure such clerical aid as necessary.

Meeting of June 6, 1934

Those present were Lawrence Y. Spear, John B. Woodward and James Swan for Industry; Arthur O. Wharton (Chairman) and Joseph S. McDonagh for Labor; A. J. Doyle, Executive Secretary; J. B. Weaver and H. Newton Whittelsey, for N.R.A., and Arba B. Marvin, Administration Member to the Code Authority.

Committee discussed Public Works Board Resolution and acted as follows:

"Whereas, Resolution of the Public Works Board, adopted May 9, 1934, provided in effect that the wage rates on existing projects financed with funds alloted by the Public Works Administration should be adjusted by the Industrial Relations Committee, such rates to be determined. before June 15, 1934,

"Therefore, be it resolved by recommendation of the Industrial Relations Committee that all existing contracts which were entered into under the provisions of P. W. A. Bulletin No. 51, and on which the hourly wage provisions thereof, and it is so recommended."

Letter, June 5, 1934, extension of authority from C. E. Adams, Division Administrator, authorizing Committee to June 30, 1934 (Administrative Order 2-17A, Code Record Section, and Industrial Relations Committee Folder, Deputy's Files).

Request for recommendation on exemption from maximum hour provisions of Code pertaining to trial trips. No action taken pending examination of previous orders on the subject.

The "Plan" for "Adjustment" discussed. Mr. Whittelsey submitted suggestions as to the operation of the Cotton Textile Industrial

Relations Committee. Mr. Weaver stated that the panel system contained in "Plan of April 24 of Code Authority" was unsatisfactory. Committee further discussed "Plan of April 11 of the Committee" and "Plan of April 24 of the Code Authority" and appointed Sub-Committee of Messrs. McDonagh and Woodward to attempt to formulate a plan which might meet all objections.

Committee adjourned, and re-convened June 7 at 8:30 A.M., the same members were present.

Committee recommended Exemption for trial trips, and adjourned 10:00 A.M. to attend hearing on San Francisco Bay Area cases conducted by Mr. Weaver.

Meeting of June 21, 1934

Letter, June 18, 1934, from Hugh S. Johnson, Administrator, authorizing the Committee, and requiring that the 7th member be appointed, and a Plan of procedure be submitted by June 30, 1934. Discussion as to Regional Committees.

The situation of the Bethlehem Shipbuilding Company, Fore River Plan discussed, with reference to complaint of Philip H. VanGelder, letter dated June 19th, 1934. Mr. Smith advised the Committee, that no investigators should be sent to the plant until the "Plan for Adjustments" had been accepted and was in operation. The Committee had received a wire from the Chairman of the Code Authority to transfer the office to New York. Messrs. Wharton and McDonagh emphasized that the headquarters should not be at the National Council of American Shipbuilders.

The "Plan" again discussed with particular reference to Regional Committees and in view of the Committee's inability to reconcile the two positions of Industry and Labor, it was decided to eliminate the provision for Regional Committees.

The case of Bath Iron Works discussed re: complaint of Industrial Union of Marine Workers. Matter left in abeyance in view of the Committees inability to act in the Fore River case.

Application of the St. Louis Car Company for exemption. It was decided the Code Authority could handle the matter. The "Plan" was again considered and adopted as of June 21, 1934. Several names were discussed in connection with the appointment of the 7th member.

(Author's note: due to the attitude of Mr. Smith at this meeting respecting the position of the Code Authority, the Labor members of the Committee apparently believed that the Code Authority intended to interfere with the independent action of the Committee, and that the Committee was more or less powerless in view of the fact that the Code Authority was paying the bills. Following the adoption of the "Plan" on June 21 the Code Authority drafted an amended "Plan" of June 26. There was an interchange of serious communications between the Code Authority and N.R.A.

Meeting of September 13, 1934

Those present were Messrs. John B. Woodward and James Swan for Industry, Arthur O. Wharton (Chairman), and Joseph S. McDonagh and William A. Calvin for Labor, and H. Newton Whittelsey, for N.R.A., and Captain Henry Williams, for U.S.N.

Mr. McDonagh called attention to resolution of Code Authority pertaining to Order 2-21, August 15, 1934, in which the Code Authority resolved to take no action on the "Plan of August 28." Industry members not authorized by Code Authority to take action on "Plan." Mr. McDonagh felt a deliberate effort had been made to obstruct the setting up of the Committee by Industry and Mr. Wharton that if Code Authority wanted the Committee to function it could have been done so in two weeks. Discussion lasted several hours. (This subject set forth in detail in previous title.)

Complaint of Anderson who had been discharged by Todd Shipbuilding and Dry Dock Company, Mobile, Alabama. Committee unable to act immediately. Secretary instructed to request that the reports on Emergency work, received by Code Authority, be sent to the Committee. Letter from Mr. Whittelsey asking if Committee would be willing to act for Boatbuilding Industry if N.R.A. duly authorized. Committee favorable. Charleston Dry Dock Company request for exemption for welders. No action pending receipt of further information.

Meeting of September 17, 1934.

Those present: Messrs. John B. Woodward, James Swan for Industry; Arthur O. Wharton, Joseph S. McDonagh, William A. Calvin for Labor; H. Newton Whittelsey, for N.R.A., and Captain Henry Williams for U.S.N., and A. J. Doyle, Executive Secretary.

Charleston Dry Dock Company request for exemption for welders. No action taken pending further developments. Serious long discussion between Industry and Labor members re "Plan" and attitude of Industry. Industry members were prepared to walk out followed by Labor Members. Conference of H. Newton Whittelsey with Industry members, who agreed to "Plan of September 6" with two unimportant deletions. Labor members would not immediately agree, principally because of attitude of the Code Authority. (Labor members agreed the following day. (This subject set forth in detail under previous title). Meeting adjourned 6:00 P.M., after being in session since 10:00 A.M., except lunch hour. No other business considered. (Code Authority authorized Industry members to approve "Plan of September 6" as modified, Committee re-authorized by Order 2-22, November 1, 1934, and Plan approved Administrative Order 2-23, November 7, 1934, all as set forth in detail under previous title).

The following briefs of the minutes of meetings that followed the complete setting up of the Committee November 7, 1934, were made by A. J. Doyle, Executive Secretary, in memorandum, July 5, 1935, addressed to H. Newton Whittelsey, Assistant Deputy Administrator. (Reference: Industrial Relations Committee Folder, Deputy's Files)

When the "Plan" of June 21 was submitted to the Advisory Boards and Compliance Division, the Labor Advisory Board recommended many changes which made it necessary for the Author to redraft the "Plan" under date of June 18th, Messrs. Wharton and Calvin, Labor members of the Committee, appeared before the Walsh Committee of the Senate and made complaints. Senator Walsh addressed the Secretary of the Navy. Conferences were held and finally the Order 2-21, dated August 15, made the Industrial Relations Committee independent of the Code Authority by N.R.A. paying the expenses; the order also eliminated the necessity of appointing the seventh member.

Executive Secretary attempted to get a meeting on August 6, 1934, but without success. The Committee members considered it useless to hold meetings through this period through lack of authority and inability to apparently act. The Author redrafted the "Plan" August 28, 1934 to comply with the new condition of the Committee as established August 15, 1934, by Administrative Order 2-21. The Committee was brought together at the meeting of September 6, 1934.) (This subject is set forth in detail under previous title.)

Meeting of September 6, 1934.

Present: Messrs. John B. Woodward and James Swan for Industry, Arthur O. Wharton (Chairman), and Joseph S. McDonagh and William A. Calvin for Labor, and A. J. Doyle, Executive Secretary. Also present were Colonel W. W. Rose, Deputy Administrator, H. Newton Whittelsey, Assistant Deputy Administrator, and Captain Henry Williams (CC) U.S.N.

Order 2-21, August 15, 1935, read: Letter from C. C. Knerr, Secretary-Treasurer of the Code Authority, requesting the return of any money left in the petty cash fund as of August 15, 1934, was read. Executive Secretary, A. J. Doyle reappointed.

"Plan for Adjustment," dated August 28 received from H. Newton Whittelsey, Assistant Deputy Administrator, with letter. It was studied and discussed, and compared with "Plan of June 21, 1934." "Plan of August 28" read article by article, some modifications made and adopted by the Labor members, Industry members not voting, as they considered they lacked authority from Industry. Secretary directed to draw new plan from "Plan of August 28" as modified, which was known as "Plan of September 6." (This subject is set forth in detail under the previous title)

Committee authorized a Budget of $25,000 to be submitted to N.R.A. (No attempt made to do other business, during the four hours of the meeting).

Meeting of November 7th

Those present were John B. Woodward and James Swan for Industry; Arthur O. Wharton (Chairman) and Joseph S. McDonagh for Labor; A. J. Doyle, Executive Secretary, and Captain Harry Williams, U. S. N., and H. Newton Whittelsey, Assistant Deputy Administrator, for N.R.A.

Committee revised and adopted new set of By-Laws. Committee approved changes in Plan for Adjustment recommended by National Recovery Administration. Committee noted request of N.R.A. for recommendation on designer, mold loftman exception which had been requested by the Industry. Committee voted to send Mr. McDonagh and Executive Secretary to the yards concerned to determine conditions and whether such an exemption was warranted. Code complaint against Moore Dry Dock of San Francisco passed temporarily in view of inability to secure further details from complainant. Appointment of John J. Lane as Special Assistant.

Miscellaneous complaints against Newport News Company of date February, 1934, Mr. Calvin, original complainant, in view of age of complaints, agreed that alleged conditions might not now exist and requested opportunity to check. Complaints therefore passed. Complaint against Great Lakes Engineering Works re working power hour firemen and oilers 84 hours per week. Company admitted, but stated that all such employees salaried men and therefore not under the Code. This claim apparently correct, using strict interpretation of the Code, and Committee powerless to act. Recommendation to N.R.A., however, that this situation and others like it be given immediate consideration and that the Code be so revised and amended as to eliminate the possibility of such excessive hours.

L. M. Mills, International Brotherhood of Boiler Makers, New Orleans, charged Warren Johnson with abuse of his office as Area Chairman. Passed for further consideration. New York Marine Workers Metal Trades District Council's request for collective bargaining. Secretary instructed to take up with all concerned. Gulf Coast collective bargaining requests. Secretary also instructed to take up with all concerned.

December 13, 1934.

Those present were Lawrence Y. Spear, John B. Woodward, and James Swan for Industry; Arthur O. Wharton (Chairman), Joseph S. McDonagh and William A. Calvin for Labor; A. J. Doyle, Executive Secretary, John Lane, Special Assistant; H. Newton Whittelsey, Assistant Deputy Administrator, for N.R.A.

Report of sub-committee on designer, mold loftman exception. Committee recommended to N.R.A. denial of blanket extension, but approval where exceptions are justified, the burden of proof in such cases to be placed on the employer. N.R.A. having requested recommendation on Industry's petition for testing installations exemption, Committee recommended 60 day extension of present stay. Compliance Division, by letter, called attention to inadequacy of present Code. Committee noted. Chairman of Code Authority furnished copy in order that a

revision of Code might be hastened.

Code violations against Charleston Dry Dock Company, exceeding weekly maximum without authority in order to complete contract. Recommendation made to Compliance that Company pay all employees worked overtime, time and one-half for all hours in excess of 36, such payment to be made before January 1st, 1935, and such an adjustment to close the case. Request of Charleston Dry Dock Company for exemption from maximum hour provisions of the Code for welders. In view of all circumstances in case, and fact that Company had exceeded maximum hours without authority, recommendation made to N.R.A. that exemption be denied.

Code complaint against Todd of Alabama. Previously sent to Compliance and that body had case almost ready for final disposition. Code Authority, by letter to Mr. Swan, requested Committee to get it back. This request denied. In connection with complaint in Gulf Coast District, Messrs. Swan, Calvin, and Lane appointed sub-committee to proceed there and make adjustments if possible. Complaint against three companies in Portland, Oregon, for not having paid 40 hours for 36 hours work, passed for further information.

Petition of Mills for removal of Warren Johnson denied in view of fact that this Committee has no authority in premises. Code complaint against Lykes Bros. - Ripley. Company states not under Shipbuilding Code. Voted to ask interpretation of N.R.A. Industrial Union asks election at Electric Boat. Voted to request statement of representation from all parties concerned. On New York Marine Workers' request, voted to advise Bennett, President, Committee would be glad to hear him.

January 24th Meeting

Those present were John B. Woodward and Joseph W. Hart for Industry; Arthur O. Wharton (Chairman), William A. Calvin and Joseph S. McDonagh for Labor; A. J. Doyle, Executive Secretary, John Lane, Special Assistant, and Captain Henry Williams, U.S.N., and H. Newton Whittelsey, Assistant Deputy Administrator, for N.R.A. Representing the Marine Workers Trade Council Herbert Bennett, President, and eight representatives.

Bennett, New York Metal Trades, and officers of his Council, given hearing by Committee on their request for collective bargaining with firms in that Port. Unanimous resolution passed directing firms to meet him for purposes of collective bargaining, resolution being based on the understanding that if a meeting with Mr. Bennett developed any facts, the Committee's services would be available. Request of Industry for emergency work exemption noted. Complaint of International Brotherhood of Boiler Makers against Todd of New York, for formation of Company Union. Approved that it be passed in view of Committee's Action in whole New York area.

Resolution defining emergency work approved, and recommendation made that same be granted Industry. Temporary sub-committee of McDonagh and Hart appointed to handle emergency matters between meetings. Complaint noted that United Design had placed men on 40 hour salary basis.

Passed to await reply of respondent. Resolution on service of Mr. James Swan, whose resignation became effective.

N.R.A. having advised that Lykes Bros. - Ripley Steamship Company came under Shipbuilding Code in certain of its work, resolution passed requesting this Company to make certain adjustments. International Brotherhood of Boiler Makers against Defoe, of Bay City, Michigan, for formation of Company Union. In view of Company being closed down, no action could be taken.

Meeting of March 1st in New York City

Those present were Lawrence Y. Spear, John B. Woodward and Joseph W. Hart for Industry; Arthru O. Wharton (Chairman), Joseph S. McDonagh and William A. Calvin for Labor; A. J. Doyle, Executive Secretary and John Lane, Special Assistant.

For purpose of hearing all parties in Marine Workers Metal Trades District Council case. Upon completion of this hearing, Committee considered request of N.R.A. for recommendation in connection with time and one-half for overtime after weekly maximum hours. Labor members recorded themselves as in favor of such overtime, Industry members resolved against it.

Extension of Section 3 (c) for certain Shipbuilding Companies on 1934 naval program approved, not to exceed 44 hours, Labor members' approval being based on the understanding that not less than time and one-half being paid for all hours in excess of 36. Mr. Gibbs of United Design Department, 45 Broadway, was interviewed by Committee in connection with complaint against his Company for placing employees on weekly salary basis. No immediate action taken.

Meeting of March 8th

Those present were Lawrence Y. Spear and Joseph W. Hart for Industry; Arthur O. Wharton (Chairman), Joseph W. McDonagh and William A. Calvin for Labor; A. J. Doyle, Executive Secretary; John Lane, Special Assistant; James Swan, Ex-Member; Captain Henry Williams, U.S.N. and H. Newton Whittelsey, Assistant Deputy Administrator.

Committee approved and forwarded to N.R.A. forms to be submitted by Industry where testing and emergency exemptions utilized. Gulf Coast sub-committee reported. Discriminatory discharge of one Quibbedeaux by Todd Galveston Dry Dock Company considered. Company requested to return Quibbedeaux to work and pay him such compensation as he had lost by reason of his unemployment. Discriminatory discharge of J.T. Johnson by same Company. Evidence not conclusive. Company requested to cooperate with Committee by giving further consideration to this case.

Complaint that certain employees of this Company were not receiving a fair proportion of work handled. Resolution passed requesting Company to remedy this. Another complaint of discriminatory discharge denied in view of fact it appeared this employee had voluntarily left service. New Orleans - Complaint that for many years previous to Code

double time for overtime had been paid in this port but that shortly before Code time and one-half custom established. Committee voted interpretation be requested of N.R.A. on the basis of all the facts uncovered by the sub-committee.

Mobile - Complaint noted against Alabama Dry Dock because of two rates of pay for mechanics. Company requested to cooperate by abolishing maintenance rate. Complaint that Alabama Dry Dock does not recognize New Year's Day as holiday. Company requested to cooperate with Committee by establishing this day as holiday. Complaints against both Todd and Alabama Dry Dock re application of calendar day in their work. Voted to advise N.R.A. thereof and request that remedial action be taken in order that employees might not be worked excessive hours under the term "day" without overtime.

Complaint that certain firms on Gulf Coast refused to meet representatives of employees. Secretary directed to prepare from letter which might be utilized as a first step. Code Authority's protest against submission of emergency work reports to this Committee. Committee unanimously voted this a proper procedure. Gulf Coast stenographic bills approved. Industrial Union's request for election at Electric Boat denied in view of its failure to cooperate with Committee by furnishing statement of strength or even acknowledging Committee's letter. Industrial Union's request for election at Bethlehem of San Francisco noted, and Secretary directed to secure further information.

Wehner, complainant against Lykes Bros.-Ripley, of Galveston, advises that adjustment has been made with him and thanks Committee for its assistance. Complaint of Machinists and Boiler Makers against Dravo of Pittsburgh for violation of Section 7 (a). No adjustment possible by correspondence, sub-committee of McDonagh, Hart and Lane, directed to proceed to Pittsburgh to handle situation. In connection with threatened Camden strike, Committee considered protest of Coppersmiths Union of Philadelphia and Vicinity against Industrial Union action for them.

Meeting of April 23rd

Those present were Lawrence Y. Spear, John B. Woodward and Joseph W. Hart for Industry; Arthur O. Wharton (Chairman) and William A. Calvin for Labor, and Captain Henry Williams, U.S.N., and H. Newton Whittelsey, Assistant Deputy Administrator, for N.R.A .

Prior to this meeting, Chairman, at request of N.R.A., had appointed Messrs. Hart and Lane to proceed to Camden in connection with threatened strike at New York Ship. Form letter approved where meetings requested between employers and employees. New York Marine Workers Metal Trades District Council - Committee offered its services to Companies in Port of New York, in order that the truth or falsity of Bennett's claims of representation might be established. Report received from Camden sub-committee. Voted to add Mr. Calvin to the sub-committee and that it should return to Camden immediately, to use its good offices in averting strike.

Alleged discriminatory discharge of Quibedeaux against Todd Galveston Dry Dock - Company having refused to make adjustment, Secretary directed to refer entire record to Compliance Division. San Pedro Painters and Scalers strike. Bethlehem Company and Los Angeles Company advised no members of this union in their employ. Four other smaller shops concerned. Labor Department advised men had returned to work. Secretary advised to confirm this and close case.

Industrial Union's request for election at San Francisco plants of Bethlehem. Full information having previously been secured, Committee, in view of all circumstances, denied request. Seven complaints against St. Louis Car Company for excessive hours and improper rate of compensation. Proper wage adjustments having been determined, Company requested to adjust complaints by such payment. Complaint received by Gulf Coast sub-committee that Ingalls Iron Works, of Birmingham, performed work under other than the Shipbuilding Code. That Company advised that such was not the case. The Complainant, Alabama Dry Dock Company, notified and called upon for any further facts which would assist the Committee.

Request made of Alabama Dry Dock that it recognize New Year's Day as a holiday in its plants and thus eliminate certain labor complaints. This Company also requested to abolish its maintenance rate of pay, it being alleged that such rate was utilized for production work. Company refusing, interpretation requested of N.R.A. as to whether it constituted Code violation. United Design Department called upon for final statement before Committee acted upon complaint against it.

As a summary, I might say that in all 42 complaints of Code violation were received. In addition, 14 complaints were received which alleged violation of Section 7 (a). Miscellaneous matters presented to the Committee numbered 9.

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Schedules of Complaints, etc.

There follows hereafter schedules; (1) Complaints based on wage and hour provisions of the Code; (2) Complaints based on Section 7 (a); (3) Request for recommendations and action of the Committee. These are copied direct from the journals of the Industrial Relations Committee. (Ref. Industrial Relations Committee Files, front second drawer)

COMPLAINTS BASED ON WAGE AND HOUR PROVISIONS OF THE CODE

CASE NO	RESPONDENT	COMPLAINANT	Date recd 1934	Date cut 1934	Ready for Comm. 1934	REMARKS (for full facts see each detail sheet) (Industrial Relations Committee file)
1	Newport News S.B.&D.D.	W.A.CALVIN,A.F. of L.	1/15:		11/8:	ADJUSTED MEETING DEC. 13, 1934
2	Great Lakes Eng. Wks.	RODT. B. ALLEN,R.Rouge	1/29:		11/8:	ADJUSTED MEETING DEC. 13, 1934
3	Warren Johnson,N.O.,La.	E.H.MILLS, New Orleans	10/10:	10/20:	11/8:	ADJUSTED MEETING DEC. 13, 1934
4	Marine Shop Assn." "	AM.FEDERATION OF LABOR:	7/7:	11/13:	11/25:	3/11/35 to NRA for interpretation. Interpretation never recd.
5	Lykes Bros.-Ripley	G.J.WEHNER, Galveston	11/5:	11/13:	11/23:	ADJUSTED
6	Moore Dry Dock	S.R.LINDSEY, Oakland	10/11:	10/16:		ADJUSTED
7	Acme Machine Shop	G.J.WEHNER, Galveston	11/5:	11/13:		ADJUSTED
8	Acme Machine Shop	C.J.FRANK, Galveston	11/5:	11/13:		ADJUSTED
9	Todd Galveston Co.	GEORGE JANSEN, "	11/5:	11/13:		ADJUSTED
10	Charleston Dry Dock	W.A.CALVIN, A.F. of L.	11/26:		12/11:	ADJUSTED MEETING DEC. 13, 1934
11	Commercial Iron Works	W.G.E.SMITH, Local Area Chm.	12/10:		12/12:	RETURNED @ NRA REQUEST 12/18/34
12	Willamette Iron & Steele	W.G.SMITH, Local Area Chm.	12/10:		12/12:	RETURNED @ NRA REQUEST 12/18/34
13	Albina Eng. & Machine Wks.	W.G.E.SMITH, " "Chm:	12/10:		12/12:	RETURNED @ NRA REQUEST 12/18/34
14	Hicks & Ball Machine Co.	WILLIAM F. ZENK,Tacoma:	11/28:	11/28:		In process of adjustment.
15	United Design Dept. NYC	ANONYMOUS	1935 1/17:	1935 1/18:	1935 1/29:	In process of adjustment.
16	Penn. Pet. Products Co.	JOS.C.LENS, Providence:	1/22:			Arrangements made for Co.'s atty. before Comm. No meeting after 4/23/35
17	Todd of New York	WM. PECK, Brooklyn,NY.:	1/26:	1/30:		ADJUSTED
18	St. Louis Car Co.	J. RICHIE, St. Louis	2/20:	2/20:		Comm. recommended adjustment at meeting 4/23/35. Co. agreed to make by let. 5/2/35.
19	St. Louis Car Co.	PAT HOONAN, " "	2/23:	2/23:		See Case #18
20	St. Louis Car Co.	EDW. F. NOBLE," "	2/25:	3/5		See Case #18

COMPLAINTS BASED ON WAGE AND HOUR PROVISIONS OF THE CODE

CASE NO	RESPONDENT	COMPLAINANT	Date recd 1935	Date out 1935	Ready for Comm. 1935	REMARKS (for full facts see each detail sheet) (Industrial Relations Committee file)
21	St. Louis Car Co.	W.J.McDOWELL, St.Louis	2/26	3/5		See Case #18
22	St. Louis Car Co.	ROY H. LONG " "	2/26	3/5		See Case #18
23	St. Louis Car Co.	G. BURCH " "	2/26	3/5		See Case #18
24	Todd Galveston Co.	J.N.DAVIS(Boilermakers)	12/17			Overtime after weekly maximum. Comm. had made recommendation and NRA policy awaited.
25	Todd Galveston Co.	HANNIB QUIBEDEAUX	11/34			5/7/35 Co. refusing comply with Comm's. recommendation entire case ref. to Compliance
26	Todd Galveston Co.	J.T.JOHNSON	11/34			Facts doubtful, conciliatory resolution sent to Co. No reply recd.
27	Todd Galveston Co.	MR. ROSSON (Sub-Comm)	1/-			ADJUSTED. No specific complaint offered.
28	Todd Galveston Co.	W.J.NATION " "	1/-			Conciliatory reso. to Co. asking work be evenly apportioned. No reply recd.
29	Alabama Dry Dock Co.	EMPLOYEES OF RESPONDENT	1/-			ADJUSTED.
30	Alabama Dry Dock Co.	EMPLOYEES OF RESPONDENT	1/-			5/8/35 NRA asked for ruling on this Co's practice of having two rates of pay. No reply.
31	Todd & Alabama Cos.	EMPLOYEES (Sub-Comm)	1/-			3/13/35 NRA asked clarify term "day" for over time purposes. No reply recd.
32	St. Louis Car Co.	W.A. MATTHEWS, St. Louis	2/15			See Case #18.
33	No.Atlantic Trading Co.	GEO.H.GORMLEY, Prov.	3/14			See Case #16.
34	No.Atlantic Trading Co.	KENNETH STURTEVANT "	3/13			See Case #16.
35	Penn.Pet.Products Co.	GUSTAV DERJUE	3/13			See Case #16.
36	Penn.Pet.Products Co.	CHARLES L. MONIGAN	1/22			See Case #16.
37	New York Ship	MORGAN, behalf PORTER	3/30			Morgan advised Porter must make complaint himself. He failed to do so. REJECTED.

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COMPLAINTS BASED ON WAGE AND HOUR PROVISIONS OF THE CODE

CASE NO.	RESPONDENT	COMPLAINANT	Date recd.	Date out	Ready for Comm.	REMARKS
38	Berg Shipbuilding Co.	JACOB FREDRIK ERICKSON	4/8			Respondent's reply not recd. until 6/5/35. Acknowledgment thereof only possible action.
39	Jerome V. Van Arman	PIETRO NARCISI	5/6			Respondent denied subject to Code. In process of further investigation.
40	St. Louis Car Company	JOHN ROCHE	4/23			No violation apparent. Respondent advised & asked to continue fine cooperation. No reply.
41	St. Louis Car Company	THOMAS J. CALLAHAN	5/16			Company asked to cooperate with Committee by making adjustment. No reply.
42	Robins D.D. & Rep. Co.	ANONYMOUS	5/4			As this anonymous complaint and facts questionable, conciliatory letter sent to Company asking for cooperation.

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COMPLAINTS BASED ON SECTION 7 (A)

CASE NO.	RESPONDENT	COMPLAINANT	Date recd.	Date out	REMARKS
D-1	Todd - United - Brewer-Bushey - Atlantic Basin	Marine Workers Metal Trades District Council, Port of NY.	5/3/34	11/10/34	*Meeting 4/23/35 last chance offrd Cos. Their refusal awaited next Comm. meeting which was impossible under circumstances.
D-2	Alabama Dry Dock, Mobile	Boilermaker Bro. Asso. of Machinists	4/25/34 8/18/34	11/10/34 "	*Both these cases of long standing and difficult to bring about a collective bargaining meeting. As a final effort at
D-3	Todd Co., Mobile	Boilermaker Bro. Int.Assn. of Machinists	4/25/34 8/18/34	11/10/34 11/10/34	*meeting of 4/23/35 Comm. directed the sending of an approved conciliatory letter asking Co'x. cooperation.
D-4	Bethlehem Shipbuilding Corp., East Boston.	Int.Asso.of Machinists Steamfitters & Fipers Boilermaker Bro.	11/14/34	11/16/34	*Complainant here failed to give Comm. needed information. Follow-up by another complainant came too late for Comm. to act.
D-5	Electric Boat Co. Groton	Ind. Union of Mar.& Shipbuilding Workers of America	11/14/34	11/28/34	COMMITTEE DISMISSED @ MEETING MCH. 8th. 1935.* **
D-7	Bethlehem Corporation, San Francisco.	Shipyard & Allied Workers Union(IUMSWA)	12/26/34	12/27/34	*Denied at meeting April 23rd.
D-8	Defore Ship.Co., Bay City Mich.	Boilermaker Bro.	12/19/34	12/28/34	*Plant closed. Complainant advised. No further letter recd from him.
D-9	Todd of New York	Boilermaker Bro.	12/20/34	12/28/34	*Passed temporarily awaiting action on Case D-1. Marine Workers of N. Y.
D-10	Dravo of Pittsburgh	Boilermaker Br. Int.Assn.Machinists	12/20/34		MEETING 3/8/35 SUB-COMM. ORDERED.* ** Meeting 4/23/35 an illness McD. prevented action.
D-11	Craig Co., San Pedro Bethlehem Co., "	Shipyard Workers Union (A.F. of L.)	12/27/34	1/9/35	*This Union exceeded its charter. Action withheld at request of A. F. of L.
D-12	Bethlehem-Los Ang.D.D.& Four Ship Shops	Painters & Scalers ILA 38-91	4/2/35	4/2/35	Men returned to work 4/17/35.*
D-13	New York Ship	Industrial Union,L.1.	4/19/35	4/20/35	Circumstances prevented Comm. from continuing mediation activities at Camden.

* See detail sheet - file - Industrial Relations Committee

** See minutes. - Industrial Relations Committee

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COMPLAINTS BASED ON SECTION 7 (A)

CASE NO.	RESPONDENT	COMPLAINANT	Date recd.	Date out	REMARKS
D-14	Newport News	Industrial Union	4/30/35	5/2/35	Industrial Union asked for names of men discriminated against. No reply ever received.

* See detail sheet - file - Industrial Relations Committee
** See minutes. - Industrial Relations Committee.

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REQUEST FOR RECOMMENDATIONS

CASE NO.	NATURE	PARTY	Date recd.	REMARKS
I-1	Exemption request to allow working welders in excess of Code hours.	Charleston Dry Dock Co. (NRA referred)		DENIED @ MEETING DEC. 13, 1934. **
I-2	Extension request 3 (c) to allow 44 hrs.per wk. for designers-loftman.	Code Committee (NRA referred)		ACTION AT MEETING DEC. 13, 1934. **
I-3	Request Comm.determine wage rates under PWA contract	Warwick Machine Co. Newport News.	12/14/34	NO ACTION REQUIRED. PWA HAS JURISDICTION.*
I-4	Extension request testing exemption which expires 12/27/34.	Code Committee (NRA referred)	12/8/34	RECOMMENDED @ MEETING DEC. 13, 1934. **
I-5	Request temporary exemption under Code for emergency work.	Code Committee (NRA referred)	1/24/35	RECOMMENDATION @ MEETING JAN. 24, 1935.* **
I-6	Protest Orders providing time and one-half after weekly maximums.	Code Committee (NRA referred)	2/11/35	SPLIT RECOMMENDATION @ MEETING MCH. 1, 1935* **
I-7	Request 4 mos.extension 3(c) for Bethlehem, NY Ship & Electric Boat.	The 3 Companies, Code Comm. & Navy Dept. (NRA referred)	2/16/35	SPLIT RECOMMENDATION @ MEETING MCH. 1, 1935* **
I-8	Co.builds floating marine equipment under another Code.	Ingalls Iron Works, Birmingham, Ala. (Mobile repairers ptst)	3/8/35 G.C.Sub-Comm.	ACTION DIRECTED @ MEETING MCH. 8, 1935.*
I-9	Protest emergency overtime reports being submitted to Ind.Rel.Comm.	Code Committee (NRA referred)	3/8/35	COMM. @ MEETING MCH. 8 VOTED SUCH REPORTS SHOULD COME TO THIS COMM. * **

*See detail sheet - file Industrial Relations Committee
**See minutes - Industrial Relations Committee File

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Special Investigations and Actions of the Industrial Relations Committee

Determination on P. W. A. contracts as provided in the resolution of the National Labor Board

Pursuant to the request of President Franklin D. Roosevelt that the National Labor Board study the relationship between the Navy Yards and private shipbuilding concerns in regard to wages, hours of employment and similar matters, the Board reported its findings March 22, 1934. In paragraph five of the findings, the following provision was set forth. (Ref. P. W. A. folder, Deputy's Files)

"5. That a Board upon which employees and employers are equally represented be established to study wage problems which arise from the establishment of the thirty-six (36) hour week provided for in Sections 1 and 2 hereof, and that it shall be a function of this Board to equalize by negotiation any unfair competitive inequalization in wage rates that may exist as a result of the past application in the Industry of the wage and hour provisions of the Code plus the present application of the hours and wage rates provided for in Sections 1, 2 and 4 hereof."

The President accepted the report and accordingly instructed the Director of the Public Works Administration by letter of March 27, 1934. In due course the Special Board for Public Works, May 9, 1934, passed the following resolution: (Ref. P. W. A. folder, Deputy's files)

"Be it Resolved, That on all projects financed with funds alloted by the Public Works Administration, where the hours and wage rates provided for in Bulletin No. 51 are in effect, such hours and wage rates shall remain in effect until July 1, 1934: Provided, That on July 1, 1934 and thereafter the hours of employment on such projects shall be thirty-six per week or such other hours per week as may be authorized by the Administrator for Industrial Recovery under the Code for the Shipbuilding and Shiprepairing Industry.

"Be it Resolved further, That the wage rates on such projects in private shipyards shall be adjusted by the aforesaid Industrial Relations Committee, such wage rates to be determined by that Committee before June 15, 1934: Provided, That in the event the said committee fails to make such adjustments shall be made by the National Labor Board.

"Be it Resolved further, That the wage rates on shipbuilding and shiprepairing projects in private shipyards financed with funds alloted by the Public Works Administration, where Public Works Administration Bulletin No. 51 has not been applied shall likewise be determined by the aforesaid Industrial Relations Committee whenever such adjustment may be

hereafter adjudged by such committee to be necessary."

The Industrial Relations Committee at meeting of May 16th, 1934, received the foregoing resolution and gave it consideration and study. Again at meeting June 6th, 1934, the Committee proceeded further with the discussion and passed on the following resolution: (Ref. Minutes, Industrial Relations Committee Files)

> "Therefore, be it resolved by recommendation of the Industrial Relations Committee that all existing contracts which were entered into under the provisions of P. W. A. Bulletin No. 51, and on which the hourly wage rates prescribed in that Bulletin are in effect, shall be completed in accordance with the hourly wage rate provisions thereof, and it is so recommended."

Investigation regarding designers and loftsmen

The Code Authority at the request of private shipyards building Naval vessels requested an extension of Section 3 (c) of the Code to permit designers and loftsmen to work in excess of the maximum hours of the Code on Naval vessels under construction. A 30 day extension was granted, Administrative Order 2-24, signed by W. A. Harriman, Administrative Officer, based on the recommendation of the Industrial Relations Committee, effective November 5th, 1934, during which 30 days it was planned to properly investigate this subject.

The Industrial Relations Committee for its part passed resolutions at the meeting of November 8th, 1934, whereby a sub-committee consisting of J. S. Mc Donagh, Labor Member, and A. J. Doyle, Secretary, were to proceed to the private shipyards building Naval vessels and make an investigation of the actual conditions. (Ref. Minutes, Industrial Relations Committee Files) Among the plants visited by this Committee were the following:

Bethlehem Shipbuilding Corporation, Quincy, Mass.
Electric Boat Company, Groton, Conn.
United Dry Docks, Inc. New York, N. Y.
New York Shipbuilding Corp., Camden, N. J.
Newport News Shipbuilding and Dry Dock Company, Newport News, Va.

The sub-committee duly reported to the Industrial Relations Committee at meeting of December 13th, 1934. This report is embodied in Minutes of this meeting. (Ref. Minutes, Industrial Relations Committee Files)

The Industrial Relations Committee, after discussion of the subject, passed a resolution (Ref. page 19, Minutes December 14th, 1934) which, among other things, recommended that a blanket extension of 3 (c) be not granted. However, the Committee recognized there was cause for certain exceptions and set forth a plan calculated to be elastic in nature and well fitted to the Industry.

Investigations of Complaints from the Gulf District

For a considerable period of time there was much unrest in the principal ports of the Gulf District, particularly in the repair yards. The situation had been growing steadily worse for a year.

The Committee took under consideration at its meeting of November 8, 1934, several of these complaints and on December 13, 1934, passed the following resolution:

> "MOTION: That a sub-committee be appointed to proceed to the Gulf Coast District, as soon as possible, for the purpose of investigating complaints in that area. That the sub-committee be instructed to investigate complaints noted in the agenda for meeting of December 13, 1934, as "8 (d) New Orleans Overtime rates", "10 (a) Todd of Mobile", "10 (b) Alabama Dry Docks"; such other complaints in the area as are pending before the Committee, and such other matters as may be called to their attention, initiating from that territory, which the sub-committee can handle on the same trip."

The Committee appointed was William A. Calvin for Labor, James Swan for Industry, as the sub-committee, and John Lane, Special Assistant. (Ref. Minutes, Industrial Relations Committee Files)

The sub-committee proceeded to the Gulf District January 4, 1935, arriving in Galveston, Texas, January 6, 1935, and held a hearing on three complaints against the Todd Galveston Dry Dock Company, which had acquired the old Galveston Dry Dock Company business and plant. A full report was made to the Industrial Relations Committee at meeting March 8, 1935, by William A. Calvin, concurred in by James Swan. The Industrial Relations Committee took action on each of these cases as set forth in the Minutes of this meeting.

The sub-committee then proceeded to New Orleans to investigate the controversies pertaining to overtime. It was contended, in the New Orleans District that double the hourly rate for overtime had been paid for a period of years, but beginning 1933 most of the yards had paid one and one-half times the regular hourly rate for overtime. Hearings were held, all of which is duly recorded and set forth in the meeting of the Industrial Relations Committee of March 8, 1935, and the action taken by the Committee.

The sub-committee then proceeded to Mobile, Alabama, and held hearings on several cases of complaints against the Alabama Dry Dock Company, all of which was duly reported to the Committee on March 8, 1935, as contained in the Minutes of the meeting, together with action taken by the Industrial Relations Committee.

The result of this sub-committee work was constructive and created a good impression among both the Industry and Labor representatives in the Gulf District. It is the Author's understanding that in each of the ports visited that the principal operators of the shipyards and shiprepair plants were contacted by the Committee and also the principal

representatives of Labor. The sub-committee work in the Gulf District, together with the actions of the Industrial Relations Committee, substantially ended the threat of general strikes that had been pending.

Investigation of complaints of the Marine Workers Metal Trades District Council, New York with shiprepair plants of f of that area

At the meeting of the Committee of December 13, 1934, this complaint was presented and given consideration, a motion was passed to request that Mr. Herbert Bennett, President of the Marine Workers Metal Trades District Council, supply satisfactory evidence to the effect, that his Council's Conference Board had in fact been delegated and authorized by the employees set forth in his letter. (Ref. Page 22, Minutes Industrial Relations Committee File)

In reply the Marine Workers Metal Trades District Council requested a hearing before the Industrial Relations Committee, which was granted and held January 24, 1935, in the Albee Building, Washington, D. C. The entire Committee was present, except Lawrence Y. Spear, Industry Member, and there was also present John Lane, Special Assistant to the Committee, Captain Henry Williams, U. S. N. and H. Newton Whittelsey, N.R.A. The Marine Workers Metal Trades was represented by Herbert Bennett, President, and eight representatives. Transcript of this hearing is filed in the Minutes of January 24, 1935, of the Industrial Relations Committee. (Ref. Industrial Relations Committee File)

The Committee held a meeting on the same day, January 24, 1935, and recessed the following day, January 25, 1935. On the latter day it gave consideration and study to the subject hearing and passed the following resolution:

> "NOW, THEREFORE, BE IT RESOLVED, that the Industrial Relations Committee, recognizing the said Conference Board as a properly constituted and authorized agency for collective bargaining between the five ship yards and these groups of their employees, directs each of the said ship yards to receive, within fifteen (15) days from date of this decision, the said Conference Board as representing these employees for the purpose of collective bargaining, and to grant to the said Conference Board an opportunity to present to each of the five above named employers, individually or jointly as the parties may elect, such matters affecting employee relationships as may reasonably and properly be dealt with in such meetings.

All Industry and Labor members were present, except Mr. Lawrence Y. Spear for Industry; also present was Mr. John Lane, Special Assistant. All members voted affirmatively for the resolution. (Ref. Minutes, Industrial Relations Committee File)

The Committee received a protest from the Todd Shipyard Corporation, United Dry Docks, Inc., Atlantic Basin Iron Works, Ira Bushey & Sons, and Brewers Dry Dock against the Committee's action and as a result held a hearing in New York City at 45 Broadway, March 1, 1935, and heard the representatives of the shipyards which had protested. All members of the Committee were present; also A. J. Doyle, Executive Secretary and John Lane, Special Assistant.

Stenographic report of the hearing is in the Industrial Relations Committee file known as X-3.

Meeting of April 23, 1935 in Washington. All members of the Committee were present except Joseph S. McDonagh for Labor.

The following action was taken:

"RESOLVED, that the Committee offer to each of the following: Todd Shipyards Corporation, United Dry Docks, Inc., Atlantic Basin Iron Works, Ira S. Bushey & Sons, and Brewer Dry Dock, and to the Marine Workers Metal Trades District Council of the Port of New York and vicinity, its services for the purpose of determining by investigation the question of the authority of the Marine Workers Metal Trades District Council of the Port of New York and vicinity to represent employees of all or any of the said Companies for the purpose of collective bargaining, it being understood that a condition precedent to any such investigation by this Committee is the prior agreement of both of the parties to such investigation to cooperate fully with the Committee, and to make available to the Committee's representatives all records, data and information pertinent to the subject, and to abide by the Committee's decision.

"BE IT FURTHER RESOLVED, that it being incumbent upon this Committee to dispose of these cases promptly, each of the above-named parties be advised that his acceptance or rejection of the above offer of the Committee must be in its hands by May first.

"Without objection, the Secretary was directed, in the event that the Marine Workers Metal Trades District Council accepted the Committee's offer and any of the shipyards noted declined, or failed to make reply by the date set in the resolution, to advise the Council that the Committee would receive a formal complaint or complaints charging violation of Section 7 (a) by those yards. Upon receipt of such complaint, the Secretary should then call on the Company concerned for a statement of its position, within

five days, as provided in the Plan for Adjustment."

Full correspondence relating to this case if filed in the Industrial Relations Committee folder marked Case D-1, Marine Workers Metal Trades District Council of the Port of New York and Vicinity. The correspondence is complete and instructive pertaining to the application of 7 (a) of the Act.

Investigation of the United Design Department, United Dry Docks, Inc. with reference to changing designers from an hourly wage basis to a weekly salary basis

The United Design Department came into being by reason of a contract between the United Dry Docks, Inc., Bath Iron Works Corporation, and Federal Shipbuilding and Dry Dock Company, whereby the Design Department was set up under W. F. Gibbs of Gibbs and Cox, for the purpose of designing a class of 1500 ton destroyers, two of each of this class contracted were to be built by each of the shipyards named for the Navy Department.

There was considerable unrest amongst the employees due to their reduced earnings caused by the enforcement of the 36 hour provision of the Code, after the last extension of 3 (c) of the Code terminated December 5, 1935, which permitted the working of designers up to 44 hours.

At the suggestion of the United Design Department, the employees held several meetings and considered a proposal by the company for an increase of pay of 5% and the change-over from an hourly wage basis to a salary basis of 40 hours per week. The employees voted in favor of this and on January 2, 1935, the change-over was made.

In due course a complaint was filed against the United Design Department and they were notified by the Executive Secretary of the Committee. Under date of January 24 a very complete reply was made by the United Design Department. (Complete file, Industrial Relations Committee) This reply set forth the full history of the situation including the minutes of the meetings of the employees and in conclusion set forth the following:

"(a) The question which must be decided in this matter is whether the United Design Department is violating the Code on account of placing certain of its employees on a weekly salary basis and working 40 hours per week.

"(b) The United Design Department takes the position that nothing in the Code requires that if a man starts to work on an hourly basis, that he must continue to work on an hourly basis so long as the Code is in effect.

"(c) The United Design Department maintains that it therefore has a right to change men from an hourly to a salary basis, provided that by such change, the men are as well or better off as they would be under the hourly basis.

"(d) It is maintained that as salaried employees are not mentioned in the Code, it follows that under the Code, the hours of salaried employees are subject to mutual contract between employer and employee.

"(e) Considered by these standards the change in the status of the men from hourly to weekly salary basis, working 40 hours, has placed them distinctly better off than required by a strict interpretation of the Code, including the rulings protested by the Shipyards in respect of overtime, in that the men receive the same weekly pay as they would on the overtime basis and that there are other advantages, well known to the men which follow from a salaried basis, including excuses for meritorious absences, etc.

"(f) Finally, the proposed change was presented to the men; a period of eight days given for due consideration and the proposition voted on by secret ballot with an overwhelming majority of the men in favor of the proposal.

"(g) The changed basis carries out the wishes of the Secretary of the Navy, and by speeding up the plans helps to re-employ men in the eight yards affected."

This case is important in that it points out the inadequate provisions of the Code in relation to employees' other than those on the hourly wage basis, and also the effect of the Code in the delay of the work under construction by the restriction to 36 hours.

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c. By-Laws

"By-Laws for administering and enforcing the Shipbuilding Division of the Shipbuilding and Shiprepairing Industry" and "By-Laws for administering and enforcing the Shiprepairing Division of the Shipbuilding and Shiprepairing Industry" were submitted with the proposed Code of Fair Competition at the time of submission of the Code. (Ref. Volume II, Code Record Safe, Exhibits I and J, Appx.)

The original By-Laws as submitted were modified and approved by Industry as per the following excerpts from letter of August 20, 1933, from H. Gerrish Smith, President, National Council of American Shipbuilders, to H. Newton Whittelsey, Assistant Deputy Administrator. (Ref. Exh. N-1, Appx.)

"By-Laws. Immediately after the Code was signed by the President of the United States a meeting was called of all shipbuilders and shiprepairers who were proponents of the Code, the first meeting being held on August 1, 1933 for the discussion and formulation of final by-laws for the shipbuilding and shiprepairing division, as some of the provisions contained in the original code were deleted by the Administration from the Code proper but it was understood the provisions could be incorporated in the by-laws.

"The by-laws for both divisions were gone over and after thorough discussion they were left with a drafting committee to smooth them up. This was done and on August 4th and 8th, at meetings of shipbuilders and shiprepairers the by-laws were put in form for presentation to the Shipbuilding and Shiprepairing Industry on August 9th.

"At the meeting on August 9th, at which representatives of the following companies were present:

The Maryland Dry Dock Company
The Pusey & Jones Corporation
Alabama Dry Dock & Shipbuilding Company
Bethlehem Shipbuilding Corporation
Todd Shipyards Corporation
Sun Shipbuilding and Dry Dock Company
Norfolk Shipbuilding & Dry Dock Company
Kensington Shipyard & Dry Dock Corp.
Newport News Shipbuilding & Dry Dock Co.
Ira S. Bushey & Sons
National Council of American Shipbuilders

the by-laws for both the shipbuilding and shiprepairing divisions were finally ironed out and adopted, and made effective at 12:01, August 14, 1933.

"It was the belief of the proponents of the Code that the adoption of the by-laws was within their power. These by-laws were submitted to all members of the Industry prior to the election of a Code Authority.

"The first meeting with the Deputy Administrator was on August 28, 1933, at which meeting much time was devoted to going over the by-laws (effective on August 14th) to see if they constituted in any way an amendment to the Code. (See N.R.A. Release No. 540 of August 28, 1933).

"The meetings held on September 6th and 11th were devoted almost entirely to getting the by-laws in some form which would be acceptable to Mr. Davis, and after a public hearing held on Tuesday, September 26th, the Rules and Regulations dated October 2, 1933, supplanted the original by-laws of August 14, 1933.

"Answering your specific question under (c), the by-laws were not put in force by the Code Authority but were adopted by the Industry as shown above."

The By-Laws as revised by Industry, effective August 14, 1933, were the subject of a hearing August 28, 1933, (Ref. Code Record Section). It was determined to change the title from By-Laws to Rules and Regulations.

The Rules and Regulations were the principal subject of consideration in meetings of the Shipbuilding Industry Committees (Code Authority) held September 6, 1933 and September 11, 1933. (Ref. Minutes, Deputy's Files). They were further the subject of the hearing of September 26, 1933, (Ref. Code Record Section) and meetings of the Shipbuilding and Shiprepairing Industry Committee (Code Authority) held September 7, 1933, and October 2, 1933. They were finally approved by the Committee at the October 2nd meeting. (Ref. Minutes, Deputy's Files) of which the following is an excerpt:

"Mr. Smith raised the question as to the propriety of having the Rules and Regulations approved by the President of the United States so as to become the "law of the land". Mr. Davis reported that he had taken this matter up with Colonel Lea and that it was thought that the Code Committee had sufficient power under the code to enforce the Rules and Regulations as written and that the approval of our Rules and Regulations would establish a precedent. Mr. Davis was of the opinion, however, that if the Rules and Regulations were found to be unenforceable that he would again take the matter up with the Administrator to have them approved by Executive Order.

"Mr. Davis then suggested that the Rules and Regulations be signed by each member of the Code Committee and this was agreed to.

"The Rules and Regulations (Ref. Exh. L, Appx.)promulgated under the authority of the Code Committee were then read and upon motion by Joseph Haag, seconded by Robert Haig, the following resolution was adopted:

'RESOLVED: That these Rules and Regulations having been discussed and agreed upon are thereby adopted.'

A vote was taken by the Code Committee and all answered in the affirmative.

"A poll was then taken of the Presidential Appointees and they approved of the Rules and Regulations as adopted."

It is the opinion of the Assistant Deputy (the author) that the foregoing recounted advice was one of the two basic unfortunate incidents that lead to the difficulties of the Industry under the Code and the administration of it. As later history proved, this instrument should have been immediately submitted to the Administration for approval.

Both the By-Laws (so-called) and the Rules and Regulations consisted, in fact, of two parts, the first part pertained to the National, District and Local Area Committees and their functions, the second part to Trade Practices. The History pertaining to the first part begins with page 177, under Title III, B, 5, Field Organization.

The following is an excerpt of the second part of the Rules and Regulations as approved by the Shipbuilding and Shiprepairing Industry Committee (Code Committee) as approved October 2, 1933. (Ref. Exh. M, Appx.)

"CREDIT BUREAU

The National Committee will organize and maintain a credit bureau to collect and furnish information regarding the credit standing of any customer requesting credit from any member of the Industry. While due diligence shall be used to collect and impart correct information, no liability shall attach to any officer or employee of the credit bureau or of the National Committee or of the Code Committee for any errors in the information supplied.

"UNFAIR COMPETITIVE PRACTICES

1. The Code Committee has the right and assumes the duty, acting with the advice and assistance of the various committees of the shipbuilding and shiprepairing industry hereinbefore provided for, to make recommendations from time to time to the President of the United States, through the Administrator of the National Industrial Recovery Act with respect to modifications of and additions to the code which

it deems desirable for the elimination of unfair competitive practices. But it is understood that no such provision, and nothing contained within these or any rules and regulations, is to be so interpreted or so applied as to promote or permit monopolies or monopolistic practices, or to eliminate or oppress small enterprises or discriminate against them.

2. For the purpose of administering the provisions of Paragraph 7 of the Code, and subject to the provisions recited in the foregoing paragraph, the following rules and regulations are adopted and published for the elimination of unfair competitive practices.

(a) Each member of the industry engaged in shiprepairing shall promptly file with the Secretary of the Code Committee a schedule showing, for shiprepairing operations:

1. Minimum labor billing rates;
2. Minimum billing rates for the use of facilities and of machine and power tools;
3. Minimum billing rates for the use of dry docks and marine railways;

and shall certify that such rates, charges and prices are not below the reasonable costs of such products or services including an adequate amount of overhead.

Each such schedule shall state the date upon which it shall become effective, which date shall not be less than thirty (30) days after the date of filing such schedule with the Secretary; provided, however, that the first schedule filed by any member of the industry as above provided shall take effect on the date of filing thereof, and no rate, price or charge shown in any such schedule filed by any member of the industry shall be changed except by the filing of a new schedule as herein provided.

Material supplied by shiprepairers on repair contracts shall be charged at not less than the prevailing delivered market price plus a percentage determined as follows:

1. When such material is carried in stock by the shiprepairer:
   15% for warehousing, checking and receiving, plus
   15% for purchasing, accounting and handling expenses, plus
   10% for profit.

2. When such material is purchased for a particular job and requires processing or manufacture in the shiprepairers yard or on the ship:
   15% for purchasing, accounting and handling expenses, plus
   10% for profit.

3. When such material is purchased as a completely manufactured article for a particular job and requires no processing, or manufacture in the shiprepairer's yard:
10% for handling expense.
(Prevailing delivered market price is the manufacturer's list price less the published discount or price published in any recognized trade journal. Delivered price includes transportation charges on material to the ship repairer's yard.)

(b) Except as hereinafter provided no member of the industry shall make any sale of any product or service at a price or on terms and conditions more favorable to the purchaser than the price, terms or conditions established by such member in his schedule or schedules in effect at the time of such sale

"FOR ALL SHIPREPAIRING EXCEPT IN THE GREAT LAKES DISTRICT, THE FOLLOWING CONDITIONS ("C" TO "I", INCLUSIVE), SHALL APPLY ....."

(c) Pending the establishment of recognized cost accounting methods, approved by the Code Committee, contemplated by Sub-section 1 of Subparagraph (a) of paragraph 7 of the Code and unless otherwise expressly provided by regulations for local areas approved in writing by the Code Committee, bidding on shiprepair work shall be restricted as follows:

When bids are requested from repairers outside of the port in which the ship is located, no bid except on Federal, State, and Municipal work below $7500 shall be submitted by any repairer within or outside of the port, but all work below $7500 shall be done on time and material basis in accordance with the established schedule or schedules of the shiprepairer in effect at the time or on an agreed price basis in accordance with subparagraph (d) below. When the request for bids is confined to repairers within the port in which the vessel is located, then no bids except on Federal, State, and Municipal work below $2500 shall be submitted, but all work below $2500 shall be done on time and material basis in accordance with established schedule or schedules of the shiprepairer in effect at the time, or on an agreed price basis in accordance with subparagraph (d) below. In the meaning of this paragraph "repairers" refers to firms engaged in the general repairing or drydocking of vessels and the limitations on bidding referred to in this paragraph shall not be construed as applicable to contractors engaged in special marine repairs and who do not engage in general ship repairs.

(d) When a ship owner desires a lump sum price for a repair job, and when the ship is located in the shiprepairer's yard or when the owner has declared in writing his intention, if the lump sum price submitted is satisfactory to the owner, to employ said shiprepairer for the job, and not otherwise, the shiprepairer may submit a lump sum price prepared in accordance with the schedule or schedules of the shiprepairer in force at the time the lump sum price is submitted. If the lump sum price so submitted is not satisfactory to the owner, the owner may have the work done on a time and material basis by any shiprepairer he may desire.

(e) In the preparation of all bids, in the determination of all lump sum prices, and in the billing of all time and material work, the shiprepairer shall use the following formula:

1. Man Hours required to execute the repair;
2. Required hours for use of facilities and of machine and power tools;
3. Required period of dry dock or marine railway use;
4. Materials required;
5. Sub-contract work at cost plus 10% profit;
6. Insurance at cost;
7. Profit.

Units 1, 2, 3 and 4 shall be converted into dollars by applying the unit charging rates specified in the schedule or schedules of the shiprepairer then in force and allowance may be made for the size of the contract of not more than 5% if total is between $50,000 and $75,000; 7½% between $75,000 and $100,000; and 10% if over $100,000.

(f) Every bid shall be submitted to the owner at a specified time and place and shall all be immediately opened by the owners in the presence of the bidders, and thereupon or immediately thereafter a copy of the bid shall be filed with the District Committee, of the District in which the bids are opened, together with an analysis sufficient to enable the District Committee to determine whether the several items of the bid have been established in accordance with the schedule or schedules of the shiprepairer then in force, and without any rebates, refunds, allowances, unearned discounts or special services, direct or indirect.

(g) All labor, material, use of facilities and of machine or power tools, use of dry docks or marine railways or other equipment, miscellaneous services, subcontracts, compensation insurance and every other thing used in the performance of, or in connection with time and material work, shall be charged for and no member of the industry shall give or accept any rebate, refund, allowance, unearned discount or special service, directly or indirectly in connection with any work performed, or receipt any bill for insurance work until payment is made.

(h) A shiprepairer shall not revise his proposal because of changes desired by a shipowner until he has been awarded the contract.

(i) All outside contractors used on shiprepairing, whether selected by shiprepairer or designated by shipowner and other labor (except the ship's regular crew and workers on the permanent payroll of the shipowner) when working in any shiprepairer's yard shall be employed by and subject to the control and direction of the shiprepairer. A fee of ten percent of the bill rendered by such contractor for the work performed while in the repairer's yard shall be charged by the shiprepairer to the shipowner except in the case of guarantee men and workers employed on special work not ordinarily performed by the shiprepairer who shall also be under the control and direction of the Shiprepairer when working in his yard. Every outside contractor must furnish a certificate to the shiprepairer that he is fully complying with the shipbuilding and shiprepairing code and with these rules and regulations so far as they may be applicable. Otherwise he shall not be employed. In case of dispute a shipowner who proposes an outside contractor shall be entitled to refer the dispute to the District Committee but in the event the District Committee is not able to dispose of the dispute, appeal shall be allowed to the Code Committee.

"FOR ALL SHIPREPAIRING IN THE GREAT LAKES DISTRICT THE FOLLOWING PROVISIONS SHALL APPLY IN LIEU OF SUB-PARAGRAPHS (c) to (i) ABOVE."

Following the established custom in the Great Lakes District all shiprepair work shall be done on a time and material basis except as hereinafter provided and charges therefor shall be in accordance with the established schedule or schedules of the shiprepairer in effect at the time. Estimates of probable cost may be made for the convenience and assistance of customers but they shall not be binding upon the shiprepairer.

All labor, material, equipment, miscellaneous services, etc., used in performing time and material work, shall be charged for.

It shall be permissible for a shiprepairer to submit bids on the following classes of work:

(a) Finished parts of machinery, ready to install
(b) Complete units of machinery, ready to install
(c) Boiler accessories, ready to install
(d) Boilers, air heaters, and stacks installed as a complete unit.
(e) Boilers, heaters, or stacks, ready to install

(f) Boiler furnaces and/or complete set of tubes, installed
(g) New tank tops, including side tanks
(h) Hull forgings, castings, fittings, and parts or units for hull, ready to install
(i) Any reconstruction of a vessel not in the nature of a repair.

The maximum cash discount on bills for repair work shall not exceed 1½% for payment in thirty days.

No labor of an outside contractor or other labor shall be allowed to work in any ship repair yard, except when employed by the owner of the yard. Ship's regular crew may perform only such work on vessels undergoing repairs at a repair plant as might be done in the course of the vessel's regular operation.

(j) When competitive bids are invited shipbuilders will not submit bids unless the invitation provides that bids shall be opened in public and no bidder shall revise his proposal until he is definitely notified by the shipowner that he is the selected bidder and other bidders are so informed.

(k) A schedule of credit terms will be adopted and published by the Code Committee, subject to such modifications as from time to time as the Code Committee may determine as a fair basis of credit for the shiprepairing industry to be applicable to all credit extended by any shiprepairer after the date of adoption and publication of such schedule. The granting of more favorable credit terms than those allowed by the credit schedule then in force shall constitute unfair competition.

"SPECIFICATIONS

It is recognized by the Code Committee that indefinite, ambiguous and unfair general clauses of specifications covering shipbuilding work and shiprepair work may leave room for evasion of the provisions of Section 7 of the Code and of the provisions of these rules and regulations adopted for the purpose of administering that section of the Code. The National Shipbuilding Committee, the local shiprepairing committees, the district shiprepairing committees and the National Shiprepairing Committee, will bring to the attention of the Code Committee such general clauses of specifications as may, in their opinion, have that tendency. From time to time, as occasion may require, the Code Committee will issue regulations with respect to such general clauses.

NOTE:- Proper provisions for the handling of questions and complaints arising out of labor conditions are now under consideration by the Code Committee, and the National Recovery Administration and will be incorporated in the rules and regulations when such provisions have been adopted and approved.

The above Rules and Regulations were adopted by Resolution of the Code Committee on October 2, 1933, and are effective as of that date.

MEMBERS ELECTED BY THE INDUSTRY

/s/ H. P. Smith, Chairman

/s/ Joseph Haag, Jr., President,
Todd Dry Dock
Engineering & Repair Corporation

/s/ S. W. Wakeman
Vice President, Bethlehem
Shipbuilding Corporation, Ltd.

/s/ Roger Williams
Vice President, Newport News
Shipbuilding & Dry Dock Company

/s/ Robert Haig
Vice President, Sun Shipbuilding &
Dry Dock Company

/s/ W. H. Gerhauser, President,
American Shipbuilding Company

APPROVED:

/s/ William H. Davis
National Recovery Administration
Representative

/s/ R. L. Hague
Industrial and Consumer Advisor

/s/ Joseph S. McDonagh
Labor Advisor

/s/ Henry Williams
Representative of the Secretary
of the Navy

MEMBERS APPOINTED BY THE PRESIDENT OF THE UNITED STATES

ATTEST:

/s/ C. C. Uhrr
Secretary, Code Committee

Shipbuilding and Shiprepairing Industry

"SCHEDULE A

(FORM OF LETTER OF ASSENT TO THE CODE)

_____
(Date)

To The Secretary of the Code Committee

Room 661

Eleven Broadway

New York City

Dear Sir:

The undersigned, desiring to become a member of the Code of Fair Competition for the operation of the Shipbuilding and Shiprepairing Industry, approved by the President of the United States on July 26, 1933, hereby assents to all of the provisions of said code and hereby agrees to accept and abide by the terms and conditions of the code, and to bear his proportionate share, as determined by the Code Committee, of the expenses of maintaining the Code Committee and its activities.

The address of the undersigned, until it shall file with the Secretary of the Code Committee written notice of change of such address, shall be as set forth at the foot of this letter.

Very truly yours,

_____
(Name of Firm)

_____
(Name and Title)

_____
(Street and Address)

_____
(City and State)

The Code Authority with the cooperation of the District and Local Committees, which are set forth in pages 195-199 hereof, promptly put the Rules and Regulations into effect.

The Report of the Secretary of the Code Authority as of December 9, 1933, showing status of Firms Engaged in Shipbuilding and Shiprepairing with respect to the filing of schedules required under the Rules and Regulations, Letter of Assent and Letter of Compliance is summarized as follows:

Letters of Compliance	34
" " Assent	184
Labor Billing Schedules	359
Tool " "	334
Docking Charge "	191

(Ref. Compliance Folder, Deputy's Files)

Previous to October 24, 1933, there had been received 78 compliance letters on a form other than that attached to the Rules and Regulations. (Ref. Compliance Folder, Deputy's Files) The final list of members of the Industry as of June 11, 1935, was 234, (Ref. List of Members, Deputy's Files) which did not contain the many members of the Boatbuilding and Boatrepairing Industry who originally reported to the Shipbuilding Code Authority and included in the summarized list.

It is evident from the foregoing that the entire Industry substantially complied with the filing requirements as set forth in the Rules and Regulations.

The Shipbuilding and Shiprepairing Industry Committee (Code Authority) made a number of Interpretations of the Rules and Regulations, listed as follows:

Meeting November 8, 1933 (Reference: Minutes, page 4, Deputy's Files).

INTERPRETATION NO. 1,
November 15, 1933
RULES AND REGULATIONS, Section VIII
PARAGRAPH (i)
Pertaining to Guarantee Men (Ref. Exh. I-1, Appx)

Meeting January 4, 1934 (Reference: Minutes, page 5, Deputy's Files).

INTERPRETATION NO. 3,
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraphs (c), (d) & (e)
Main Contracts (Ref. Exh. 1-3, Appx)

Meeting January 4, 1934, (Reference: Minutes, page 1, Deputy's Files).

INTERPRETATION NO. 4,
January 4, 1934
RULES AND REGULATIONS, Section VIII,
Paragraph (d)
Lump Sum Price (Ref. Exh. 1-4, Appx)

Meeting January 4, 1934 (Reference: Minutes, page 4, Deputy's Files.)

INTERPRETATION NO. 7
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraph (i)
- Fee -
(Ref. Exh. 1-7 Appx)

Meeting January 4, 1934 (Reference: Minutes, page 5, Deputy's Files).

INTERPRETATION NO. 8
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraph (i)
Compliance Certificate
(Ref. Exh. 1-8 Appx)

Meeting January 4, 1934 (Reference: Minutes, page 5, Deputy's Files).

INTERPRETATION NO. 9
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraph (i)
Exception Denied
(Ref. Exh. 1-9, Appx)

Meeting January 4, 1934 (Reference: Minutes, page 10, Deputy's Files).

INTERPRETATION NO. 10
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraph 3 (c)
Shipping Board Bureau Vessels under
Private Operation
(Ref. Exh. 1-10, Appx.)

Meeting January 4, 1934 (Reference: Minutes, page 10, Deputy's Files).

INTERPRETATION NO. 12
January 4, 1934
RULES AND REGULATIONS, Section VIII
Paragraph 3 (c)
Special Marine Repairs
(Ref. Exh. I-12, Appx.)

Interpretation by H. Gerrish Smith, Chairman of the Shipbuilding and Shiprepairing Industry Committee, and confirmed by inference at meeting March 2, 1934 (Reference: Minutes, page 6, Deputy's Files).

INTERPRETATION NO. 15
January 15, 1934
RULES AND REGULATIONS, Section VIII
Paragraphs (c), (d) and (e)
Shipping Board Vessels Under Private Operation
(Ref. Exh. I-15, Appx.)

Unfortunately, the Rules and Regulations, not having been approved by N.R.A. the question of legality arose. Reference is made to memorandum February 6, 1934, to Geo. H. Shields III, Assistant Deputy Administrator, Shipping Section Div. I, from Howard F. Ralph, Assistant Counsel. (Ref. Rules and Regulations Folder, Deputy's Files) However, no record can be found where Industry was advised of the contents of the subject memorandum until the letter of May 18, 1934, to H. Gerrish Smith, Chairman of the Code Authority, from H. Newton Wittelsey, Assistant Deputy Administrator. (Ref. Rules and Regulations Folder, Deputy's Files).

Meeting March 15, 1934, the Code Authority acted as follows: (Ref. Pages 4, 5, and 6 Minutes, Deputy's Files).

"Revision of Rules and Regulations and Code

The Chairman reported that the Code Committee had passed a resolution on March 2nd laying on the table certain resolutions pertaining to changes in the Rules and Regulations and the Code. The three resolutions were taken off the table and discussed. The resolutions are as follows:

Resolution #1 - 'That action be taken instituting lump sum bidding on the Atlantic Coast on Steamship work on a basis of Labor, Material and seventy-five percent Overhead on Direct Labor, as a minimum price, plus Drydocking, to go into effect promptly and remain effective until such time as the Code Committee decides otherwise.

Resolution #2 - That the limitations in bidding shown in the Rules and Regulations under Section VIII, second paragraph of 2 (c) be increased.

Resolution #3 - That the thirty day provision as to filing of rates be eliminated from Section VIII, Paragraph 2 (a).

The Chairman stated that the following actions could be taken:

1. Disapprove the Resolution, or,
2. Approve the Resolution, or,
3. Pass them along to the Administrator with comments.

Mr. R. L. Hague, the consumers' representative, stated that if such resolutions were passed on to the Administration in the absence of his having statistical data, especially on Resolution #1, he, as a consumer, would have to object to the formula set-up. Mr. Hague stated that since the operation of the Code his bill for repairs reanged from 15 to 20 percent higher.

Mr. Robert Haig stated that practically no one was bidding the charging rates established in the Rules and Regulations and that by using them the estimates looked ridiculously high. A review of a considerable number of estimates indicated that the formula under Resolution #1 seemed fair to his company.

Mr. Joseph Haag was of the opinion that Mr. Robert Haig's statement that the Rules and Regulations are quite generally being broken was too broad.

Opinion was voiced that the three resolutions should be adopted and put into effect during the period the code is rewritten but Mr. R. L. Hague offered his objection on behalf of the Steamship Owners as to #1 and #2, as he did not know what the effect would be.

Mr. J. B.Weaver was of the opinion that the code should be amended and rewritten as there are a lot of loose ends which could be rectified when the code was being redrafted. Mr. Roger Williams in speaking of the resolutions was of the opinion that no action be taken on them but stick to the provisions of the code until the code is rewritten and that it should be rewritten immediately.

Mr. Gerhauser suggested that a sub-committee of the Code Committee be appointed to amend the code and he therefore made the following motion:

"That the Chairman be empowered to appoint a committee to work with the Administration representatives in redrafting the code, taking into account the three resolutions tabled at the meeting of March 2nd., together with all the matters which

have been discussed from time to time and which should be considered in connection with redrafting the code and further that the Chairman be authorized to employ Counsel if found necessary.'

Motion was seconded by Roger Williams and carried and the Chairman announced he would make these appointments promptly."

"Rules and Regulations, Section VIII, Paragraph 2

The Committee again took up discussion of Resolution #3 tabled at the Code Meeting of March 2nd, and after discussion, Mr. Roger Williams moved, seconded by Mr. Robert Haig:

That the thirty (30) days notice requirement for the filing of schedules of Billing Rates under section VIII, Paragraph 2 of the Rules and Regulations be rescinded.

All members voted in favor of this resolution and the industry will be notified accordingly."

Meeting April 24, 1934, the Code Authority acted as follows: (Ref. Pages 13 and 14 Minutes, Deputy's Files)

"Status of the Rules and Regulations Effective 10/2/33

The Chairman reported that the Code Authority is in receipt of a communication from a shiprepairing firm as to the status of the Rules and Regulations and requesting an interpretation as to 'whether failure to comply with the requirements of the Rules and Regulations incapacitates yards in this area from bidding on any work covered by Bulletin No. 3, Executive Order No. 6646, issued from your office under date of March 19th, 1934, so long as they fail to live up to the Rules? If they bid on such work are they liable to fine and imprisonment?'

In view of the action of the Trade Practice Complaints Committee in referring to the Code Authority the question as to the legality of the Rules and Regulations and the By-Laws previously adopted for the industry and which committee asked the Code Authority to secure a ruling from the Administrator as to their legality, the following resolution was offered by Mr. S. M. Wakeman and seconded by Mr. Robert Haig.

"That action on this particular request for interpretation be deferred pending ruling as to the legality of the Rules and Regulations and By-Laws and be it further resolved that the inquirer should be so informed'

The motion was carried."

Letter April 30, 1934, to J. B. Weaver, Deputy Administrator from H. Garrish Smith, Chairman of the Code Authority made the following request: (Ref. Rules and Regulations Folder, Deputy's Files)

"With the facts as submitted above will you please obtain from the legal Division of the N.R.A. an official interpretation as to the legality of these Rules and Regulations, and the validity of trade practice complaints based on the Rules and Regulations as such."

The reply written by the author was as follows:

"May 18, 1934

Div. #1

"Mr. H. Gerrish Smith
Chairman, Code Authority,
Shipbuilding and Shiprepairing Industry,
11 Broadway,
New York, N. Y.

"Dear Mr. Smith:

"In reply to your letter to Mr. J. B. Weaver dated April 30, which has just come to my hands, in regard to the Trade Practice Committee on questions arising pertaining to the Code of Fair Competition and Trade Practice of the Shipbuilding and Shiprepairing Industry.

"This matter was the subject of a letter I wrote to Mr. Arba B. Marvin on May 10 as follows:

'I am informed by our Assistant Counsel as follows:

"1. Replying to your question number one it is obvious that the Committee should not take action on complaints filed solely on the By-Laws that were in effect for a few weeks in the summer of 1933 and were wholly discarded and abandoned.

"2. Replying to your question number two that Committee should only take action on complaints filed on the Rules and Regulations as issued where such complaints are based on provisions within the Code.

"In view of the fact that the Industry is moving ahead with the new shipbuilding code and that this code will legally cover all of these questions and provide proper limitations for such matters as are intended to be covered by the Rules and Regulations that it would be unwise at this time to put these Rules and Regulations through for final approval by the Administrator. The time required would probably be comparable to the time of bringing the code through.

"We are informed that the Committee working on this Code sent out a questionnaire lately to the Industry and that replies are coming in particularly bearing on the question of fair practice. In view of the general situation it would appear that no good end would be affected by notifying the Industry to limit their complaints within the provision of the Rules and Regulations that are within the present shipbuilders code. The whole question must be more or less involved in the mind of the individual members of the Industry, therefore, I would think that should complaints come through to the Trade Practice Complaints Committee on which they cannot legally act that then the individual of the Industry making such complaint could be so advised."

'In order to give you a further idea in this matter I quote from a memorandum by one of our assistant counsels:

"It appears from an examination of the Rules and Regulations of the above Code that some of the provisions are ultra vires; that is, beyond the scope of authority granted the Code Committee by the Code of Fair Competition. The Code carries no provision for assessing members their proportionate share of the expenses of maintaining the Code Committee. There is no provision in the Code authorizing the Code Committee to promulgate rules and regulations nor to appoint agents. The authority to make rules and regulations, to assess members their share of the expenses, and to appoint agents, are permissible, as they are necessary incidents for the proper administration of the Code.

"In Article VII of the Rules and Regulations, captioned 'Credit Bureau', this Article is not founded on any authority granted by the Code, but I see no objection to its remaining in the Regulations.

"In Article VIII, captioned 'Unfair Competitive Practices", there is set out in the last two paragrapns on page 8 items calling for ten (10) per cent for profit where material is carried in stock and where material is purchased. These two items do not constitute any part

of cost and have no foundation under the Code to be inserted in the Regulations. They tend toward price-fixing, and it is suggested that they be taken out.

"In Article VIII, Section 3 (c), page 9, of the above Rules and Regulations, the alternative provision restricting the submission of bids below stipulated amounts by members of the Industry, which provision is intended to be temporary pending establishment of a cost accounting system, is in my mind, an attempt to legislate on the part of the Committee. I do not believe that any part of sub-section (a), paragraph 8, could be the basis for such a provision. I feel however, that since it is a temporary provision adopted pending establishment of a cost accounting system, I see no objection to its remaining, so long as it is satisfactory to the Industry.

"Sub-section (e), page 9. The fifth (5th) provision under this sub-section calls for sub-contract work at cost, plus ten (10) per cent profit. The words 'plus ten (10) per cent profit' must be stricken; and in the seventh (7th) provision of this sub-section the word 'profit' must be taken out, as profit is no part of cost.

"On page 10 the first (1st) paragraph begins: 'Units 1,2,3 and 4 shall be converted into dollars,' etc. The provision allowing five (5), seven and one-half (7½) and ten (10) per cent for the various sizes of contracts can only be justified as an allowance for overhead. If this is true, the provision is all right. If, however, these various percentage allowances are profit, then, of course, there is no basis for allowing them to remain in the Regulations.

"In Sub-section (i), page 10, the provision that a fee of ten (10) per cent of the bill rendered by an outside contractor for work performed while in the repairer's yard shall be charged by the ship repairer to the ship owner, is in my mind, justified as a charge for the use of any plant facilities.

"On page 11 the provision that the maximum cash discount on bills shall not exceed one and one-half (1½) per cent for the payment in thirty (30) days, is a most desirable provision, and its proper place would be in the Code itself, as there is at the present time no provision in the Code upon which the Code Committee can base this provision.

"The criticism just given relative to the discounting of bills, holds true in regard to the next provision, namely, that no labor of an outside contractor shall be allowed to work in a ship repair yard, etc. I believe this to be a desirable provision but its proper

place is in the Code.

"Sub-section (k) page 11. I see no basis whatsoever for this provision and believe it to be outside the scope of the Code Committee"!

"I hope the foregoing will be sufficient information to guide the Committee but if there are any other points that you wish settled I will be very glad to have them answered.

"Very truly yours,

(Signed) H. NEWTON WHITTELSEY
H. Newton Whittelsey,
Assistant Deputy Administrator,
Shipping Section."

"HNW:W

The following letter was written:

"November 16, 1934.

Div. 2

"Mr. H. Gerrish Smith
Chairman of Code Committee
Shipbuilding & Shiprepairing Industry
11 Broadway
New York City

"Dear Mr. Smith:

"I received from Mr. R. C. Johnson, Local Area Chairman of Galveston, Texas the following telegram:

'AS LOCAL CHAIRMAN OF SHIP BUILDERS AND SHIP REPAIRERS I ASK THAT YOU WIRE ME FRANKLY IF THE RULES AND REGULATIONS ADOPTED BY THE CODE COMMITTEE EFFECTIVE AS OF OCTOBER SECOND NINETEEN THIRTY THREE HAVE EVER BEEN ADOPTED BY THE ADMINISTRATION AND IF ANY PENALTY CAN BE ASSESSED FOR VIOLATION OF SAME STOP THIS INFORMATION IS VITAL AND NEEDED IN CONNECTION WITH IMPORTANT MEETING OF LOCAL AREA.'

"In reply I wired Mr. Johnson as follows:

'RETEL RULES AND REGULATIONS ADOPTED OCTOBER SECOND NINETEEN THIRTY THREE HAVE NOT BEEN APPROVED BY ADMINISTRATION AND ARE OF NO FORCE AND EFFECT IN ANY PROVISIONS THAT ARE NOT DEFINITELY WITHIN THE PROVISIONS OF THE CODE STOP NO PENALTY CAN BE ASSESSED FOR AN ALLEGED VIOLATION THAT IS NOT A VIOLATION OF THE CODE'.

"Very truly yours,

"/s/ HNW
"H. Newton Whittelsey
Assistant Deputy Administrator
Div. 2, Sec. d, Group 3"

"HNW:GK

Meeting December 20, 1934, the Code Authority acted as follows: (Ref. Page Minutes, Deputy's Files)

"Validity of Rules and Regulations

The Chairman read into the record a letter dated November 16th from Mr. H. N. Whittelsey covering exchange of telegrams between the Galveston area and NRA in connection with the validity of the Rules and Regulations.

The Chairman at this point referred also to a letter dated May 18th, 1934 from Mr. Whittelsey wherein the validity of the Rules and Regulations was commented upon by Assistant Counsel of NRA and the Code Authority at this time endeavored to learn from Mr. Whittelsey the legality of the Rules and Regulations adopted October 2, 1933 as on the date of their adoption the Chairman specifically asked Mr. W. H. Davis, Deputy Administrator at that time, as to the propriety of having the Rules and Regulations approved by the President of the United States so as to become 'the law of the land' to which Mr. Davis stated that he had taken the matter up with Colonel Lea and it was thought the Code Authority had sufficient power under the code to enforce the Rules and Regulations as written and that the approval of our Rules and Regulations would establish a precedent.

This matter of the contents of the Rules and Regulations will be studied by the Committee acting on code revision and nothing will be done at the present to have them approved by the Administration as originally written."

Meeting January 17, 1935, the Code Authority acted as follows: (Ref. Page , Minutes, Deputy's Files)

"This led to a discussion of the Rules and Regulations adopted October 2nd, 1933

"Mr. Whittelsey stated that these Committees are not recognized by N.R.A. The Code Authority argued that they should be recognized by N. R. A. because the Rules and Regulations had been developed in cooperation with Mr. William H. Davis, our Deputy Administrator at the time and that they had been approved by him.

"Colonel Rose stated that he was unaware of this fact and he felt that the matter should be referred to him by letter in order that he might definitely ascertain as to whether the Rules and Regulations have a legal standing or not. It was pointed out to Colonel Rose that the Rules and Regulations had certain fair trade practices incorporated in them and that although the matter had been previously submitted to N. R. A. for a ruling as to legality that it was felt the matter had never been definitely disposed of.

"The Chairman was directed to submit this matter to the Deputy Administrator for action."

In accordance with the foregoing, H. Gerrish Smith, Chairman of the Code Authority, in letter dated January 17, 1935, to W. W. Rose, Deputy Administrator, set forth a statement regarding the Rules and Regulations and made a request as per the following excerpts from the letter. (Ref. Rules and Regulations Folder, Deputy's Files)

"The minutes of the meeting of October 2nd also contain on on pages 2 and 3 the following statement:

'Mr. Smith raised the question as to the propriety of having the Rules and Regulations approved by the President of the United States so as to become the "law of the land". Mr. Davis reported that he had taken this matter up with Colonel Lea and that it was thought that the Code Committee had sufficient power under the code to enforce the Rules and Regulations as written and that the approval of our Rules and Regulations would establish a precedent. Mr. Davis was of the opinion, however, that if the Rules and Regulations were found to be unenforceable that he would again take the matter up with the Administrator to have them approved by Executive Order.

'Mr. Davis then suggested that the Rules and Regulations be signed by each member of the Code Committee and this was agreed to.

'The Rules and Regulations promulgated under the authority of the Code Committee were then read and upon motion by Joseph Haag, seconded by Robert Haig, the following resolution was adopted:

"RESOLVED: That these Rules and Regulations having been discussed and agreed upon are thereby adopted."

'A vote was taken by the Code Committee and all answered in the affirmative.

'A poll was then taken of the Presidential Appointees and they approved of the Rules and Regulations as adopted.'

"In view of the circumstances concerning the preparation of these Rules and Regulations consideration by you with a view to determining their validity is requested."

The author promptly sent copies of the subject letter and a memorandum to Research and Planning and Legal Divisions, and to the Industrial, Labor and Consumers Advisory Boards for comments, but the subject of approval, even in part, of the Rules and Regulations proved highly controversial. However, finally the memoranda from all but the Legal Division were received.

The case was made up including the memorandum to W. A. Harriman, Administrative Officer from H. Newton Whittelsey, Assistant Deputy Administrator, and the propposed Administrative Order, and was sent to Angus R. Shannon, Jr., Section Counsel, DivisionII. Mr. Shannon approved with certain exceptions, which were incorporated in the Order. The memorandum to the Administrative Officer was approved by W. W. Rose, Deputy Administrator, and the case went to Barton W. Murray, Division Administrator. (The original Volume is filed in Rules and Regulations Folder, Deputy's Files) The Order provided as follows:

"NOW, THEREFORE, the National Industrial Recovery Board, pursuant to the authority vested in it by Executive Orders of the President, including Executive Order 6859, and otherwise, does hereby order;

That the 'Administrative Rules and Regulations', adopted by the Shipbuilding and Shiprepairing Industry Committee and published by said Committee in pamphlet form, be and are hereby approved subject to the exceptions of the following provisions;

(a) Delete the subject matter on page one, the outside cover page of the said pamphlet form.

(d) Delete the subject matter on page three of said pamphlet form.

(c) Delete the words 'and Trade Practice' from the first paragraph, line four of page five of said pamphlet form.

(d) Delete the second paragraph on page 5 of said pamphlet form, together with Schedule A therein referred to.

(e) Delete the period at the end of paragraph Article VI, Section 5 and add the words 'and the National Recovery Administration'.

(f) Delete in entirety all provisions beginning with Article IX and further delete note below Article IX of said pamphlet form.

(g) Delete the words 'and are effective of that date' in the second line, page 12 of said pamphlet form."

The Division Administrator sent the case to the Review Division for a pre-view, and Alvin Brown, Review Officer, by memorandum April 20, 1935, held that "This Order is not believed to be proper."

This created a serious situation. The District and Local Committees provided for in the Rules and Regulations and appointed by the Code Authority had been functioning since October 2, 1933, and had of necessity used a considerable sum of money for expenses, therefore, it was important to at least recognize these Committees.

The following memorandum was made by the author after a number of conferences and shortly before May 26, 1935, and is attached to the original Volume.

"This case was the subject of a number of conferences with Mr. Jeffrey and Mr. Knight of Review after

receipt of the memorandum from Review dated April 20.

"It was finally determined to eliminate all matter pertaining to Fair Trade Practice in addition to the matter that was to be eliminated by the Order as originally drawn and attached herein, and further to require in the Order that a Plan of Procedure for handling Trade Practice complaints be adopted.

"Further to amend Administrative Order 2-12A to provide that the District Committees are appointed District Trade Practice Committees to handle Trade Practice complaints arising in the first instance with the provision that the majority of the members in each District Committee shall constitute a quorum."

* * * * * * * * * * * * * * * * * * * *

BY-LAWS as usually adopted by Code Authorities and approved by NRA were never actually acted upon by the Code Authority for the Shipbuilding and Shiprepairing Industry. Verbal requests were made by the author from time to time that the Code Authority adopt suitable By-Laws but the matter was delayed pending the submission of the proposed amended Code.

Request was made by letters as follows: (Ref. By-Laws Folder, Deputy's Files)

"November 21, 1934

Div. 2

"Mr. H. Gerrish Smith, Chairman,
Code Authority for the
Shipbuilding and Shiprepairing Industry,
11 Broadway
New York City.

"Dear Mr. Smith: Re: By-Laws

"Enclosed please find seven (7) copies of proposed set of By-Laws of the Shipbuilding and Shiprepairing Industry for your Code Committee.

"This matter was under discussion, you will remember, several weeks ago, and you told me that you would be glad to receive a proposed form.

"The form being sent to you is in general conformity with many by-laws which we have passed through for approval but of necessity are modified in certain Sections. As far as I know there is nothing in them that could be objectionable to your Code Committee.

"I hope you will take this up at your next Code Committee meeting and adopt the form subject to such modification as your Code Committee may consider necessary. There are many reasons why it is unwise for a Code Authority to take executive actions without having duly adopted its by-laws and having same approved by the Administration.

"Executive actions taken by your Code Committee might be successfully held to be without due legal authority in the absence of approved by-laws. In fact, resolutions passed for the protection and benefit of the Members of your Industry are more or less open to attack and it appears that each Member of your Code Committee is individually liable for the funds that have been expended in the absence of proper by-laws to govern the actions of the Committee.

"Very truly yours,

"/s/ HNW
H. Newton Whittelsey
Assistant Deputy Administrator
Division 2, Section D, Group 3"

"HNW:Y
CC: Administration Member
Secretary

Meeting December 20, 1934, the Code Authority took the following action: (Ref. Page 14, Minutes, Deputy's Files)

"By-Laws - (Code Authority
(Trade Practice Complaints Committee

"The Chairman reported that Mr. H. Newton Whittelsey had forwarded to the Chairman of the Code Authority proposed by-laws covering the operation of the Code Authority and also for the operation of the Trade Practice Complaints Committee and upon motion by Mr. A. B. Homer, seconded by Mr. Roger Williams both subjects were to be referred to the Committee on Code Revision for study and report thereon."

Further requests were made by the author for adoption of By-Laws of the usual form, but the matter was further delayed by the Code Authority pending the submission of the proposed amended Code.

d. OTHER - THE NATIONAL COUNCIL OF AMERICAN SHIP-BUILDERS

The National Council of American Shipbuilders, the principal sponsor of the Code, continued its activities throughout the life of the Code, and is so continuing at present.

The history of the formation of the Council is as follows: (Ref. Pages 5, 6 and 7, Report April 1, 1930, National Council of American Shipbuilders Folder, Deputy's Files)

"The National Council of American Shipbuilders is composed of corporations engaged in constructing and repairing vessels and in manufacturing engines, boilers and other accessories used in their construction, repair, and operation. In addition its membership includes, as association members, associations whose members are interested in the development of an American built and owned merchant marine; as associate members, persons, copartnerships and corporations respectively engaged in operating vessels, or in designing or financing their construction or in insuring their builders or repairers against the risk involved in their construction or repair; as personal members persons not included in the preceding classes of membership but who desire to aid the Council in the accomplishment of its objects and purposes; and as honarary members persons who have contributed distinguished service in either the development of the art of shipbuilding or the promotion of an American merchant marine.

"The National Council is organized for the purposes of securing the cooperation of shipbuilders, ship repairers, manufacturers of marine equipment and others in a united effort to promote a stable shipbuilding industry as the basis of an American merchant marine and to improve the conditions under which the industry is carried on. It is the outgrowth of other attempts to organize an association to accomplish the same objects, as appears from the following statement:

"The Atlantic Coast Shipbuilders' Association was organized at the commencement of the World War to deal with abnormal labor conditions that developed during the war in the shipyards of the North Atlantic ports. It rendered valuable service to the shipbuilding industry by preserving, so far as it was then possible, normal industrial conditions during that period of estraordinary ship construction. At the close of the war the association continued its work and extended its activities by studying proposed federal and state legislation affecting shipbuilding and compiling statistics relating to the industry for submission to legislative committees.

"The New York and New Jersey Dry Dock Association was organized more than twenty years ago and is composed of corporations in the port of New York which build and repair vessels. Its principal activities are confined to subjects that are local in their relations to its members, although it has participated in the study of legislation affecting them.

"The Pacific Coast Dry Dock Association was organized about ten years ago by the shipbuilders and ship repairers on the Pacific Coast and performs for them service similar to that carried on by the New York and New Jersey Dry Dock Association.

"While the Merchant Marine Bill of 1920 was pending in Congress, a group of shipbuilders organized the Committee of American Shipbuilders which studied the bill and compiled and submitted to Congress information that aided it when acting on the bill, and conducted a nation-wide campaign of publicity to create a public opinion favorable to the merchant marine and shipbuilding and directed the attention of the people of the United States to the aid that the bill, if enacted, would render these industries.

"After the enactment of the bill, the members of the Committee of American Shipbuilders disbanded, and, in 1921, incorporated the Council of American Shipbuilders, Inc., under the laws of the District of Columbia to continue activities similar to those which had been carried on by the Committee.

"In 1926, when it became evident to members of the Atlantic Coast Shipbuilders' Association and of the Council of American Shipbuilders, Inc., that these organizations and the two dry dock associations were frequently performing similar work with a lack of effective coordination of effort, they thereupon dissolved the Atlantic Coast Shipbuilders' Association and Council of American Shipbuilders, Inc., and organized the National Council of American Shipbuilders to act on subjects that concerned the shipbuilding industry and the manufacture of marine equipment as a whole, irrespective of the location of shipyards and manufacturing plants; but leaving to the local dry dock associations the autonomy of confirming their activites to subjects of local interest.

"In 1928, the Board of Directors became impressed with the demands upon the Council and with the important and diversified character of its work and realized that the scope of its service should be enlarged if the Council were to render adequate service to shipbuilding and its allied industries. Thereupon the Board appointed a committee to make a survey of the work of the Council and to recommend such changes in its organization as would enable it to more effectively accomplish the objects for which it had been created.

"The Committee, among other things, recommended the establishment of permanent and adequate offices, the employment of a competent staff of assistants, and the election of a practical and experienced shipbuilder as president to formulate its policies and to carry on and supervise its work. Pursuant to the recommendations of the Committee, the Council on April 1, 1929 leased offices at No. 11 Broadway, New York City, employed a secretary, a statistician and other assistants and elected the undersigned as its president."

The President of the Council, H. Gerrish Smith, was the Chairman of the Code Authority and S. M. Vokeman, Vice-President Bethlehem Shipbuilding Corporation, Rober Haig Vice President Sun Shipbuilding Company and J. A. Gerhauser President American Shipbuilding Company, are members of the Council Directors and were members of the Code Authority. Homer L. Ferguson, President of the Newport News Shipbuilding and Dry Dock Company is a member of the Council Directors and Roger Williams Vice President of the same company was a member of the Code Authority. Further John D. Reilly, President of the Todd Snipyards Corporation is a Council Director and Joseph Haag, Jr., President of the Todd Dry Dock Engineering and Repair Corporation, Ltd., completed the list of Industry members of the Code Authority.

Other important shipbuilding members of the Council Board are J. F. Metten, President New York Shipbuilding Corporation, Warren Johnson, President Johnson Iron Works, Dry Dock and Shipbuilding Company, Inc., W.S. Newell, President, Bath Iron Works, L. Y. Spear, Vice President Electric Boat Company, H. F. Brown, President The Maryland Dry Dock Company, and L. F. Korndorff, President Federal Shipbuilding and Dry Dock Company.

The Code Authority did not delegate any of its duties or powers to the Council, but it did set up National, Regional and Local Committees under the Rules and Regulations of which all shipbuilding members of the Council Directors were members on some of the Committees. It was a perfect inter-locking directorate. In the opinion of the author it was beneficial for the most part, although at times, it appeared that decisions were made in the meetings of the Council Directors that should have been made in Code Authority meetings, and Directors' meetings took the place of Code Authority meetings.

The actual activities of the Council are well indicated in the Report of April 1, 1935, (Exh. Q, Appx.) and by the Bulletins issued from time to time, of the latter, those that were most applicable have been selected and are Exh. Q-1 to Q-11 inclusive, Appendix. These documents contain considerable valuable information on the Industry, however, such items as employment, payrolls and the like, in some instances, are based on a certain number of firms reporting and not on the entire Industry, therefore, care must be exercised in using the data.

The effect of the Code on the Council members was to bring them into closer association, in the opinion of the author, and it is believed certain important trade practice provisions that failed with the Rules and Regulations, are being adhered to by many principal members of the Industry through a better understanding brought about by the closer association induced by the Code.

5. Other Phases of Code Administration not covered above.

None that have not been recounted heretofore.

CHAPTER IV - OPERATION OF CODE PROVISIONS

A. Definitions

The definition as of May 26, 1935, was as provided in Amendment No. 2, approved March 29, 1934, Administrative Order 2-9, signed by Hugh S. Johnson, which reads as follows: (Ref. Code Record Section and Exh. A, Appx.)

> "A. The term 'Shipbuilding and Shiprepairing Industry' means:
> 1. The building, fabricating, repairing, reconstructing, remodeling and assembling of all vessels and floating marine equipment except:
> (a) Wooden boats and vessels and wooden floating marine equipment.
> (b) Pleasure boats and yachts, both wooden and/or metal up to and including one hundred and fifty (150) feet in length over all.
> 2. The building within shipbuilding and shiprepairing plants of machinery, equipment and other ship's parts."

The definition originally submitted in the proposed Code of July 10, 1933, paragraph 2 reads as follows: (Ref. Volume A, Code Record Section and Exh. B-1, Appx.)

> "The terms 'Shipbuilder' and 'Shiprepairer', when used in this Code, includes a person, partnership or corporation engaged in the business of building, fabricating, repairing, reconstructing, remodeling, and assembling oceangoing, harbor and inland water-way vessels and floating marine equipment of every type above ten tons, including the building within their plants of machinery, equipment and other ship's parts."

The definition as submitted in the revised Code the last day of the open hearing, July 21, 1933, part 1 read the same as when originally submitted July 10, 1933. (Ref. Vol. III, Code Record Library, Page 1022)

The definition as provided in the Code approved July 26, 1933, read the same as originally submitted July 10, 1933. (Ref. Vol. I, Code Record Safe and Exh. A, Appx.)

The definition of the Industry and the Members of the Industry was contained in the one paragraph quoted from the Code as submitted July 10, 1933, and as approved July 26, 1933. The definition of the Industry in this provision was by inference only. However, the situation was corrected in Amendment No. 2, heretofore quoted.

The definitions as originally proposed and as approved July 26, 1933, as hereinbefore set forth included all vessels above ten tons (about 30 feet registered length). However, the Boatbuilding and Boatrepairing Industry desired a Code of their own and as this industry is substantially concerned with the building and repairing of vessels under 125 feet, in plants particularly adapted to such work, and as the rank and file of the shipyards are not concerned with such work, this definition was amended to permit small wooden vessel work and steel yachts under the Code for the Boatbilding and Boatrepairing Industry, which amendment was approved April 24, 1934 by Hugh S. Johnson, Administrator.

The amended Shipbuilding definition worked well except in regard to small steel commercial vessels, which were left under the Shipbuilding Code. Such small steel boats are principally built and repaired by the Boatbuilding plants. The Boatbuilders proposed an amendment to their Code to provide that steel vessels up to 120 feet registered length be included in their definition. It was planned to adjust the matter between the two Codes when they were revised under the expected new N. I. R. A.

1. Overlapping

No serious difficulties were encountered in the operation of the Code provisions from the overlapping of Codes. There were several instances of minor importance which are set forth below.

Automotive Parts and Equipment Manufacturers Code - Chairman of the Shipbuilding Code Authority filed a protest dated February 14, 1935, against a proposed amendment to this Automotive Parts Code. (Ref. Page 9 Minutes Feb. 21, 1935, Deputy's Files)

The proposed amendment submitted by the Automotive Parts and Equipment Manufacturing Industry (Ref. Notice of Hearing No. 142-P, dated January 24, 1935) is excerpted as to pertinent provisions affecting the Shipbuilding and Shiprepairing Code as follows:

> "The term 'Industry as used herein is defined to mean the business of the production and/or manufacture and/or the sale as a manufacturer of automotive parts and/or equipment including, but without limitation, the following:
>
> "(2) Automotive Shop Equipment - Machine tools and apparatus designed for and used in the maintenance and/or repair of a motor, industrial, marine or aircraft vehicle or internal combustion engine and usually sold for use in reconditioning same, air compressors of ten (10) horse power and under for every purpose and excepting electric tools not exclusively applicable to motor car and internal combustion engine repair and/or recondition.
>
> "(7) Internal Combustion Engines - Internal Combustion Engines and such other allied products as are natural affiliates and/or parts thereof except
>
> "(a) Aircraft Engines
> (b) Marine Diesel engines and Diesel engines for rail cars and locomotives
> (c) Slow speed stationary engines of the oil well pumping type operating outside the speed range of the gasoline engines produced by the members of this division

(d) Slow and medium speed horizontal and vertical gas engines operating outside the speed range of the gasoline engines produced by the members of this Division."

Air compressors of 10 horse power, gasoline engines for mail propelling power or auxiliary purposes if made within Shipbuilding and Shiprepairing plants were under the Shipbuilding Code as approved, Part 1 of Section 1, as approved July 26, 1933, and as amended March 29, 1934, Section 1, A, 2, which is quoted as follows:

"The building within shipbuilding and shiprepairing plants of machinery, equipment and other ship's parts."

An open hearing was held February 27 in Washington on the proposed amendment. Later in March Barton W. Murray, Division Administrator, held a conference of the Deputies and Assistant Deputies concerned with the overlapping of the proposed amendment. The Code Authority for the Automotive Parts was requested to make up a complete list of items to be included in the amendment, which it did do in part, but this was not completed. It was proposed to hold a second open hearing when the item lists were completed, but this open hearing did not come before May 26, 1935. (Ref. author's information)

Steam Engine Manufacturing Industry - The question arose as to steam engines built within shipyards. There was a conference held in the office of W. W. Rose, Deputy Administrator, on the subject, attended by those of interest. It was substantially shown in this conference that the engines built by shipyards were marine engines and not the type usual for stationary work as made by members of the Industry of the Steam Engine Manufacturing Industry. As a result the Shipbuilding and Shiprepairing Industry was not disturbed in its jurisdiction over engines built within shipbuilding plants. (Ref. author's information)

Dredge and Floating Plant Code - Proposed - This proposed Code contained certain definitions that were of a overlapping nature. A protest was filed February 15, 1935, by the Chairman of the Shipbuilding Code Authority. (Ref. Page 9 Minutes Feb. 21, 1935, Deputy's Files) An open hearing was held on this proposed Code. It was pointed out that Floating Marine Equipment was clearly under the Shipbuilding and Shiprepairing Code. That the floating element of all such equipment was properly shipbuilding and was repaired in shiprepair yards, which alone had the facilities. Nothing further came of the matter as the Code was not approved prior to May 26, 1935. (Ref. author's information)

B. WAGES

The Code wage prvisions as originally approved are as follows:

"MINIMUM WAGE RATES

"(a) The minimum pay for labor, except apprentices, learners, casual and incidental labor, shall be at the rate of forty-five (45) cents per hour in the North and thirty-five (35) cents per hour in the South.

"(1) Apprentices and learners shall not be paid less than the minimum wage after two (2) years of employment.

"(2) Causal and incidental labor to be paid not less than eighty (80) percent of the minimum wage, the total number of such casual and incidental employees in any calendar month not to exceed eight (8) percent of the total number of skilled and semiskilled employees during the same period.

"(b) The amount of differences existing prior to July 1, 1933, between the wage rates paid various classes of employees receiving more than the established minimum wage shall not be decreased. In no event shall any employer pay an employee a wage rate which will yield a less wage for a work week of thirty-six (36) hours than such employee was receiving for the same class of work for a forty (40) hour week prior to July 1, 1933. It is understood that there shall be no difference between hourly wage rates on commercial work and on naval work, for the same class of labor, in the same establishment."

Part IV, Paragraph (b) was modified by amendment No. 3, approved by Hugh S. Johnson, Administrator, April 2, 1934, as follows:

"The amount of differences existing prior to July 1, 1933, between the wage rates paid various classes of employees receiving more than the established minimum wage shall not be decreased. In no event shall any employer pay an employee a wage rate which will yield a less wage for a work week of thirty-six (36) hours than such employee was receiving for the same class of work for a forty (40) hour week prior to July 1, 1933.

"Provided, however, that the hourly wage rates now prevailing in private yards shall not be reduced because of the increase in hours, except rates resulting from the application of Public Works Administration Bulletin No. 51."

L. Effect of Code Wage Provisions

The Code wage provisions had little direct affect upon the raising of the wage scale throughout the Industry as a whole. The wage scales were greatly increased, but this was due to the restricted weekly hour provisions of the Code. These restricted hours resulted in an insufficient pay envelope compared with what the employees had received in normal times, and caused

labor unrest. Consequently the yards increased their wage schedules beyond the requirements of the wage provisions of the Code, except certain plants on the Pacific Coast which had not reduced wages from the 1929 scale. This matter is fully set forth in the following articles on wages and hours.

2. Compliance with Code Wage Rates

Referring to paragraph (a) of the Code as quoted, the minimum pay for labor of 45¢ was not a serious problem for the larger shipyards. They were for the most part paying 40¢ and only carrying a small proportion of employment in this lowest grade for common labor. (Ref. letter of June 15, 1934, from H. Gerrish Smith, Chairman of the Code Authority, to J. B. Weaver, Deputy Administrator, "Earnings of Employees, Paragraph 3".

However, with the small repair plants the problem was more serious and they complained that 45¢ for the north and 35¢ for the south was above that of competitive industries for the same class of labor. In the report of the Research and Planning Division, dated May 13, 1934, Serial No. 50-B, subject Minimum Wage Rates, it was found that of 523 Codes counted that 483 Codes enjoyed 40¢ or below and that there were a total of 501 Codes out of a total of 523 Codes that were below the Shipbuilders 45¢ per hour for the north.

Referring to paragraph (1) of the Code as quoted, no unusual difficulty arose.

Referring to paragraph (2) of the Code as quoted, casual and incidental labor, these terms were not well understood. However, there was no record of any particular difficulty in complying with the provision, no doubt due to the fact that there is little labor of this character employed by the shipyards that is paid the Code minimum rate.

The Compliance Division's report of the Labor complaints filed from the effective date of the Code to May 25, 1935, is as follows:

Date of earliest complaint	November 18, 1933
Total docketed	145
Investigated complaints Adjusted	74
No violation found	42
Bookkeeping rejections	12
Compliance Division, or Regional Office	11
On Hand, May 25, 1935	6

The Compliance Division at this writing does not have the breakdown of these labor complaints for the full period. However, their record from July 24, 1934 to May 1, 1935, has been made available to the author and he has calculated from this report the following proportions, which may be taken as a general guide of complaints filed:

Art. III - Hours	36.3%
Art. III (a) Failure to pay overtime earned	18.4%
Art. IV Failure to pay minimum wages	39.3%
Art. IV (b) Wage differential	6.0%
	100.0%

Reference is made to detail schedules of complaints handled by the Industrial Relations Committee set forth on pages 436 to 440 hereof. (Ref. Compliance Folder, Deputy's Files)

3. Skilled and semi-skilled Wage Rates

No detail schedule of skilled and semi-skilled wage rates was submitted with the Code, however, Homer L. Ferguson, President of the Newport News Shipbuilding and Dry Dock Company, at the hearing of July 19, 1933, submitted three graphs on employment in shipyards. (Ref. page 14 hereof and the graphs Exhibits G, G-1 and G-2. These graphs were based on reports of 36 shipyards which included the major shipbuilding plants of the country)

Reference is made to Graph G, which sets forth the proportion of employment as between skilled, semi-skilled and unskilled labor. Skilled employment for 1927 was 52%, semi-skilled 27% and unskilled 21%; for 1929 skilled 50%, semi-skilled 27% and unskilled 23%; for 1931 skilled 51%, semi-skilled 27% and unskilled 22%, and for 1933 skilled 46%, semi-skilled 36% and unskilled 18%. The percentages for 1931 may be taken as a good average when the shipbuilding plants were building and repairing passenger or cargo tonnage. The figures for 1933 represent the employment when the principal work was only repair. In 1933 very little construction of any kind was on the ways. For 1935 the proportion of skilled and semi-skilled will tend to increase beyond the proportion of 1931, under the influence of the present Naval construction program as the work is of a very special high grade type. In fact there is a serious shortage of skilled ship fitters at this writing and these are the real metal shipbuilders. There is also a shortage of welders. All of the principal shipyards have been running welding schools and now some of them are instituting schools for ship fitters.

Reference is made to Graph G-1 on which is shown skilled labor, earned rates; skilled labor, base rates; semi-skilled labor, earned rates; semi-skilled labor, base rates; unskilled labor, earned rates; and unskilled labor, base rates. The earned rates are the result of an incentive system in shipbuilding such as piece work, which is a world wide shipbuilding practice. The following data is taken off of the Graph referred to.

	1927	1929	1931	1933	Percentage of reductions in 1933
Skilled-Earned Rates	76¢	77¢	77¢	68¢	11⅓%
" Base "	68¢	70¢	69¢	62½¢	10%
Semi-skilled-Earned Rates	52¢	53¢	54¢	46¢	15%
" Base "	47¢	48¢	48¢	44¢	8%
Unskilled - Earned "	42¢	43¢	42¢	38¢	10%
" Base "	40¢	40¢	39¢	36¢	7½%

Reference is made to the Graph Exhibit G-2, which sets forth the average weekly wage and included the reduction in hours when the shipyards ran out of new construction during the depression period of 1931 to July 1, 1933. The following data is taken off this Graph.

	1927	1929	1931	1933	Percentage of reductions 1931 to 1933
Average wage per week including reduction in hours during period 1931 - 1933 (July 1)	$30.85	$30.55	$30.30	$23.90	21%

Referring to the foregoing figures on both wage rates and the average wage received, it is noted that while the wage rates were only reduced 10% to 15% as between 1931 and 1933 that the average wage earned by the employees was reduced 21% because of the effect of the fewer hours worked per week.

Reference is made to letter from Isador Lubin, dated December 3, 1935, to H. Newton Whittelsey, Assistant Deputy Administrator, Deputy's Files, to which is attached data, which sets forth that the number of employees in the month of October 1935 as 43,411 and the weekly payroll $1,089,088, which is equivalent to about $25.00 average per employee.

Reference is made to Bulletin 415, entitled Shipbuilding Wages Highest of Durable Goods Industry, dated August 13, 1935, Exhibit V hereof, to which is attached chart No. 1, entitled Average Hours Worked per Week per Employee, Exhibit V-1 hereof, and attached chart No. 2, Average Hourly Rates Per Employee, Exhibit V-2 hereof, and also attached chart No. 3, entitled Average weekly Earnings per Employee, Exhibit V-3 hereof. The source of this information is given in this Bulletin as the Department of Labor.

Referring to chart No. 2, Exhibit V-2, Average Hourly Rates per Employee, it should be noted that this graph is based on the reports for each individual month and not for a period of time such as six months or a year average, which was the basis for the Ferguson charts, Exhibits G, G-1 and G-2. Average hourly rate per employee given on chart No. 2 for July 1933 for shipbuilding is 56.4¢; for January 1934 69.5¢ for July 1934 74.1¢; for January 1935 75¢ and for May 1935 75¢ (this is the last report). In this connection it should be pointed

out that general manufacturing average hourly rates for the same period were as follows: July 1933 42.7¢; January 1934 53.3¢; July 1934 55.6¢; January 1935 56.4¢ and May 1935 57.1¢.

Referring to Bulletin 415, Exhibit V, it is further set forth that the next highest durable goods average wage rate for May 1935 is 72¢, which was for the Automobile Industry and the lowest average rate was 42.7¢ for the Sawmill Industry.

It is pointed out that the Shipbuilding Industry average hourly rate increased from 56.4¢ as of July 1933 to 75¢ as of May 1935, an increase of 18.6¢ or 33%. The average wage scale for general manufacturing was paid on products for the most part protected by the tariff, whereas in shipbuilding the commercial deep sea ships must meet the competition of the open markets of the world in the operation of such ships against the vessels of all other nations. (See page hereof - statement of H. Gerrish Smith, dated July 19, 1933)

The averaged earned rates for the years 1927, 1929 and 1931 have been calculated by the author from the data taken from the Ferguson charts as follows:

1927	1929	1931
62.5¢	62.8¢	62.9¢

The average hourly rates for the succeeding years as taken from chart No. 2, Exhibit V-2, are as follows:

1933	1934	1934	1935	1935
July- 56.4¢	January- 69.5¢	July- 74.1¢	January- 75¢	May-75¢

The average wage of 62.8¢ for 1929 is taken as a basis for a fair average wage under normal operating conditions. The average wage of 75¢ for May 1935 is an increase of 13.2¢ or 21% over and above the normal average wage rate of 1929.

The Code provision, part 4, paragraph (b), hereinbefore set forth, provided to increase the average wage rates 11.1%. However, the actual increase from July 1933 to May 1935 has been shown to be 33%, which is far beyond the Code requirements. Therefore, this extraordinary increase of wage rates was not due to the wage provisions of the Code, but it was due to the restricted weekly hour provisions of the Code as will be set forth under title C. 1. of this Chapter.

Referring to schedules of wage rates. A fair schedule is set forth in a letter from C. L. Bardo, President of the New York Shipbuilding Corporation as of July 5, 1934, addressed to J. B. Weaver, Deputy Administrator, which reads as follows:

"Replying to yours of July 1st. At the present time all our hourly rated productive employees have been divided into four major divisions; namely, unskilled, semi-skilled, skilled and specialists, and these four major divisions have been further subdivided into first, second and third classes. The rates applying to each individual class are as listed below.

	1st	2nd	3rd
Unskilled	.55	.51	.45
Semi-skilled	.67	.62	.58
Skilled	.83	.76	.70
Specialists	1.00	.94	.88

"There are nine of our major departments working on an incentive and piece work basis, varying from 3.7% to 35.9% of the employees of these various departments, and the earnings of the employees so employed are increased from approximately 3% to 20% depending upon their ability, efficiency, etc."

The foregoing rates are substantially those paid by the Industry. However, the New York Shipbuilding Corporation is now paying a still higher rate of 5% in accordance with the settlement of the strike. Wage rates are often compared on the basis of the base skilled rate and in this instance the New York Shipbuilding Corporation base skilled rate is shown as 83¢ as of July 5, 1934. It is not uncommon practice of shipyards to adjust all rates other than the common labor rate by fixed ratio to the base skilled rate.

There is set forth in Exhibit V-4, Appendix, General Shipbuilding Rates in the Hampton Roads District for September 1934, which for the most part is the general practice there today. Further there is set forth Exhibit V-7, Appendix, "Average rates paid by private shipbuilders receiving contracts from P.W.A. fund May 1935".

4. Code Provisions Requiring the Adjustment of Wages Upward

Referring to paragraph (b) of the Code as originally approved and as amended, the particular provision "in no event shall any employer pay an employee a wage rate which will yield a less wage for a work week of thirty-six (36) hours than such employee was receiving for the same class of work for a forty (40) hour week prior to July 1, 1933", created serious difficulties on the Pacific Coast among the smaller repair plants. The yards on the Atlantic Coast, Gulf and certain major yards on the Pacific Coast reduced the wage scales from the 1929 scale about 15% as hereinbefore set forth. This provision of the Code had the effect of increasing wage rates 11.1% to restore wages that had been reduced. However, in the San Francisco Bay Area and in the Portland and Seattle Area the small plants were operating under contract with the Unions, and under these contracts did not reduce the 1929 wage scales.

The San Francisco Bay Area plants appealed to the Code Authority for relief from this provision, but under the advice of the Deputy it was thought that it was too early to begin to amend the Code. (Ref. Minutes meeting August 23, 1933) The matter was later appealed in the Fall of 1933 to the Code Authority and on April 2, 1934, it was acted on by the Industrial Relations Committee, which recommended denial of the application. (Ref. Minutes folder, Industrial Relations Committee files) A formal Administrative denial of the application was issued May 1, 1934, Administrative Order 2-15, signed by K. M. Simpson, Division Administrator. Upon the issuance of this Order the San Francisco Bay Area plants appealed again and this time to the Administration. As a result an open hearing was called for June 7, 1934.

It was clearly brought out at this hearing that this provision of the Code was acting to crush small Industries. It was testified that the Bethlehem Shipbuilding Company at San Francisco was paying a base skilled rate of 68¢, whereas the Union skilled base wage scales being paid by the small plants was 84¢. Under the provisions of the Code it would increase their scale to 93¢. (Ref. transcript of hearing San Francisco Bay June 7, 1934) As a result the Administration issued and order which reversed the previous procedure, and exempted these plants from this provision of the Code. The Order was dated July 5, 1934, No. 2-20, signed by C.E. Adams, Division Administrator.

In the Portland Area the moderate size plants appealed to the Code Authority for relief from this Code Provision as they were paying a base skilled rate on a Union agreement of 93¢. which had not been reduced from the 1929 scale. The Code acted to increase this rate to about $1.04. Comolaint was filed against five of the plants by the Chairman of the Local Area Shipbuilding and Shiprepairing Committee. Two plants made adjustment and the other three paid the advance scale beginning about October 20, 1933. They were the Commercial Iron Works, Albina Engine and Machine Works and the Williamette Iron and Steel Works on whom demand was made for restitution of the increase pay from the effective date of the Code to October 20. 1933.

These cases came to the attention of the author in the Fall of 1934, who, after a thorough study of the subject, recommended that exemption be granted. The cases were returned to the Compliance Division through the Division Administrator, Barton W. Murray. The author was informed by the Compliance Division that they had been returned to the Field and this was the last that was heard of them.

The Seattle cases, while known to be in the Compliance Division and presumably to be in the Field, did not come to the attention of the author. It is understood by the author that those plants having Government contracts for the Department of Agriculture paid the P.W.A. wage scale, as the bids were on that basis, which was equivalent to the Code requirements.

5. Maladjustment with other Industries

The Chairman of the Code Authority at the meeting of March 2, 1934, reported as follows:

> "The Chairman reported that a hardship was being worked on certain members of the Industry due to the difference of hours and wages provided in other Codes in manufacturing materials which are also built in shipbuilding and shiprepairing yards when bids are asked from firms operating under different Codes."

Reference is made to Exhibit V-5, the same being the setting forth of the conflict as between the Government and the Shipbuilding Industry by H. Gerrish Smith, Chairman of the Code Authority, dated March 7, 1934, and submitted to Group 4 Code Authority Organization called by General Hugh S. Johnson, the Administrator, from March 5, 1934, to March 8, 1934 inclusive. Reference is also made to the general account of the meetings called by General Johnson March 5 to March 8 contained in the letter dated March 9 from H. Gerrish Smith, Chairman of the Code Authority to the Industry Members of the Code Committee, Exhibit V-6 hereof.

6. Posting of Labor Provisions

The Code Authority distributed 2,057 to 611 establishments. (Ref. letter from C.C. Knerr, Secretary of the Code Authority to G. A. Lynch, Administrative Officer, Sept. 22, 1934, in Labor folder, Deputy's Files) No complaints were filed for failure to post.

7. Display of Insignia

Insignia were distributed with the Labor Provisions. There is no record of the extent of their use.

8. Overtime Pay

The overtime payment of employees who were permitted to work beyond the weekly maximum hour provisions of the Code under exemptions or stays at the rate of one and one-half (1½) times the regular hourly rate, became a serious problem to the Industry, for the reason that the maximum weekly hours were seriously restricted to 36 hours per week. It was necessary for the shipbuilders to make applications to the Administration for working beyond the maximum weekly hours for emergency work, trial trips, draftsmen and loftsmen and in certain instances of individual yards, where there was a shortage of certain classes of labor; and it was necessary for the Administration to grant such applications.

As an exemption from, or stay of, the maximum hour provisions of the Code was a temporary modification of a Code provision effective for a limited time in lieu of an actual amendment, such exemptions or

stays had to be guarded by suitable conditions in order that employees would not be worked excessive overtime. The only practical effective means to guard this situation was what may be called economic inducement, that is the provision that time and one-half should be paid beyond maximum weekly hours, in order to induce the members of the Industry to hire more men instead of working a small force undue overtime.

Reference is made to pages 326-334, inclusive hereof, Chapter III, C. 3f, Exemptions and Stays. Therein is set forth the protest of the Shipbuilding and Shiprepairing Industry Committee against provisions in exemption and stay Orders requiring payment of overtime beyond the maximum weekly hour provisions of the Code and the request for the deletion of such overtime provisions from the orders. Administrative Order 2-32, which denied the request, dated March 21, 1935, signed by W. A. Harriman, Administrative Officer, recommended by Barton W. Murray, Division Administrator, Division II, (Ref. Code Record Section and Deputy's Files) and excerpts from the memorandum to W. W. Harriman, Administrative Officer from H. Newton Whittelsey, Assistant Deputy Administrator, approved by W. W. Rose, Deputy Administrator, are set forth.

The memorandum just referred to completely sets forth in the volume the formal protest of the Code Authority and the argument by the Code Authority to the Administration. It further sets forth recommendations of the Advisory Boards, a resume of the individual orders that carried the subject overtime provision and the reasons for the necessity of protecting the situation by suitable overtime provision, and finally recommends that the request for deletion of such overtime provision be denied. Reference is made to the Volume, Order 2-32. (Filed in Code Record Section and Deputy's Files)

Subsequent to the original protest of the shipbuilders and request that the time and one-half provision be deleted from the certain Administrative Orders, but prior to the Order denying such request, the Chairman of the Code Authority, Mr. H. Gerrish Smith, requested an opportunity of appearing before the National Industrial Recovery Board to present their argument on the matter. This appointment was duly arranged for March 6, 1935, and there appeared for the shipbuilders Mr. H. Gerrish Smith, Chairman of the Code Authority, Mr. Joseph Haag, Jr., and Mr. W. H. Gerhauser, members of the Code Authority, and there were present representing the Board, Dr. Walton H. Hamilton, Mr. Blackwell Smith, and the assistant to Mr. L. C. Marshall, Executive Secretary of the Board. Also present were W.W. Rose, Deputy Administrator, and the author, H. Newton Whittelsey, Assistant Deputy Administrator. The shipbuilders presented their argument orally, substantially as contained in letters of January 28 and February 21, 1935, signed by H. Gerrish Smith, Chairman of the Code Authority, to H. Newton Whittelsey, Assistant Deputy Administrator, as contained in the Volume, Order 2-32. The members of the Board heard the shipbuilders in a very sympathetic manner and gave due consideration to the difficulties that the shipbuilders found themselves

in. The memorandum on the subject, later bound in the Volume of Order 2-32, addressed to W.A. Harriman, Administrative Officer, from H. Newton Whittelsey, Assistant Deputy Administrator, was submitted to L.C. Marshall, Executive Secretary of the Board, as setting forth the pros and cons of the subject.

The author received instructions to withhold the order denying the application in order to allow time for the matter to be considered by the Board. Finally instructions were received by the author to send the case forward and the order of denial was duly signed on March 21, 1935.

In view of the necessity to spread employment and to prevent undue overtime there was no other practical method suggested by the shipbuilders or others that would safeguard the situation excepting the requirement of overtime beyond weekly hours.

The author was informed by J.W. Hart, one of the Industry members of the Industrial Relations Committee that the Shipbuilding and Shiprepairing Industry Committee, (Code Authority) proposed to exercise its right to appeal Administrative Order 2-32 to the Industrial Appeals Board of the National Recovery Administration and in consequence on April 5, 1935, by letter to H. Gerrish Smith, Chairman of the Code Authority from H. Newton Whittelsey, Assistant Deputy Administrator, a letter was requested indicating the intent of the Code Authority. (Ref. Exemption Folder, Deputy's Files) In reply the following letter was received:

"April 8, 1935

"Mr. H. Newton Whittelsey,
Assistant Deputy Administrator
Equipment Division
1320 G Street,
Washington, D.C.

"Subject: Administrative Order 2-32
Denying request for deletion of time and one-half for overtime beyond maximum weekly hours from Administrative Orders.

"Dear Mr. Whittelsey:

We have your letter of April 5, 1935 in connection with the right to appeal from provisions of Administrative Order 2-32 pertaining to the payment of time and one-half beyond weekly hours and in reply wish to inform you that the Code Authority expects to appeal directly to the Industrial Appeals Board the provisions contained in Administrative Order 2-32.

"Very truly yours,

"/s/ H. Gerrish Smith
Chairman"

9732 "HGS;s

The appeal of the shipbuilders was duly made under date of May 21, 1935, to the Industrial Appeals Board. This appeal very completely set forth the case on twenty pages of manuscript and about twenty five pages of exhibits. (Ref. Protest Folder, Deputy's Files) There was insufficient time for the matter to be put to hearing by the Industrial Appeals Board before May 26, 1935.

9. Public Works Administration Contracts

There was an allocation of $238,000,000 from the Public Works Administration to the Navy Department for the construction of Naval vessels. Something more than one-half of this allocation was let in the form of contracts to the private shipbuilders in August 1933, which was before the issuance of P.W.A. Bulletin 51, September 7, 1933. It had been arranged between the P.W.A. and the Navy Department that these contracts should be carried out under the provisions of the Shipbuilding and Shiprepairing Code as to wages and hours. However, when the P.W.A. Bulletin 51 was issued, which provided a schedule of wages and hours for contracts to be paid for out of P.W.A. funds, there was no exemption from such provisions for shipbuilding, which had the effect of bringing future shipbuilding contracts under the P.W.A. scales. In due course by order of the President accepting a report of the National Labor Board, shipbuilding was placed under the provision of the Shipbuilding Code on and after July 1, 1934. (Ref. Sec. 55 P.W.A. Bulletin 51, dated Dec. 1, 1934, in P.W.A. Folder, Deputy's Files) This subject is dealt with more fully under a following title of this chapter "Hours".

C. HOURS

The Code hour provisions as originally approved are as follows:

"(a) Merchant Shipbuilding and Shiprepairing - No employee on an hour rate may work in excess of an average of thirty-six (36) hours per week, based upon a six (6) months' period; nor more than forty (40) hours during any one week. If any employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours.

"(b) Shipbuilding for the United States Government - No employee on an hourly rate may work in excess of thirty-two (32) hours per week. If any employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours.

"(c) Exceptions - For a period of six (6) months' exception may be made in the number of hours of employment for the employees of the shipbuilders engaged in designing, engineering and in mold loft and order departments and such others as are necessary for the preparation of plans and ordering of materials to start work on new ship construction, but in no event shall the number of hours worked be in excess of forty-eight (48) hours per week, and in no case or class of cases not approved by the Planning and Fair Practice Committee provided for in Section (8)."

Part 3, Paragraphs (a) and (b) were modified by Amendment No. 3, approved by General Hugh S. Johnson, April 2, 1934, as follows:

"Shipbuilding - No employee on an hourly rate shall be permitted to work more than thirty-six (36) hours per week. If an employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours."

"Shiprepairing - No employee on an hourly rate shall be permitted to work more than thirty-six (36) hours per week averaged over a period of six (6) months, nor more than forty (40) hours during any one week. If any employee on an hourly rate works in excess of eight (8) hours in any one day, the wage paid will be at the rate of not less than one and one-half (1½) times the regular hourly rate, but otherwise according to the prevailing custom in each port, for such time as may be in excess of eight (8) hours."

1. Effect of Hour Provisions of the Code on Industry.

The weekly hour provisions of the Code proved to be uneconomic and unduly restrictive and of very serious consequence both to the Industry and to the employees. The effect on the Industry was to raise the average wage scale approximately 21% above the 1929 scale and thereby increase the cost of commercial ships to a point where the ship owner could not buy. It also raised the cost of the Naval building program estimated by the author at approximately $45,000,000, whereas one of the major plants of the Industry building a part of this program is substantially making no money, or will find itself in the red. While this effect was going on with the shipyard companies, the employees were receiving on an average 20% less for their weekly pay than they would have received if there were no Code, and during the same period the employment on new commercial shipbuilding was substantially nil owing to the prohibitive cost of building commercial vessels which resulted in a restriction of employment of possibly 15,000 to 20,000 men in the opinion of the author.

Further during this particular time the Government itself provided for its own Navy yards a 40 hour week, which acted to deplete the trained personnel of the shipyards, that had been trained in the shipyard schools and at the shipyards' expense. The competition from the Navy yards was distinctly unfair competition under any common sense view or fair play, buy it was not the fault of the Navy Department, but the imposed restrictive hours under the Code.

The historical account of the maximum weekly hour provisions of the Code is as follows:

The Industry had been working on a 44 to 48 hour basis, which gave the men a payroll, under normal conditions of operation such as in 1929, of about $30.55 per week. (Ref. Exh. G-2, Appx.)

A few of the major shipyards operated after the year 1932 on a 40 hour basis on new construction, in response to the request of President Hoover, in the hopes of spreading employment. The shipbuilders in presenting their Code, Exhibit B hereof, and in view of the best possible spread of employment based on their experience, submitted a maximum hour provision of 40 hours per week. There had been put forward the theory of still shorter hours and, therefore, the shipbuilders duly presented the case of the application of shorter hours than 40 hours per week on this Industry. Reference is made to the open hearings on the Code of

July 19, 20 and 21 and specifically to the statements made by Mr. Homer L. Ferguson, President of the Newport News Shipbuilding and Dry Dock Company. Mr. Ferguson is a man of authority on shipbuilding, is internationally known and has been President of this company for many years, is a graduate of Annapolis and was a member of the Construction Corps of the Navy before going to Newport News. Mr. Ferguson with his statement submitted three charts, Exhibits G, G-1 and G-2 hereof, based on the reports from thirty-six of the better known shipbuilding and shiprepairing companies. Further Lawrence Y. Spear, Vice-President of the Electric Boat Company, clearly set forth the probable effect of restricted hours below 40 hours per week and Mr. Spear is another authority on shipbuilding. (Ref. pages 14 to 20 inclusive of this history). Again Rear Admiral E. S. Land, Chief of Bureau of Construction and Repair, United States Navy, fully set forth the position of the Navy Department and recommended the 40 hour week. (Ref. pages 26, 27 and 28 of this history).

What Lawrence Y. Spear indicated would be the effect of restricted hours below 40 hours per week has fully come true and the experience of such hours has proved to be basically uneconomic in this Industry. The author makes no prophecy as to the application of less than 40 hours to other Industries because in some Industries the employees can make from 95% to 100% of the weekly hours, whereas in the shipbuilding industry the employees can only make from 70% to 80%, because of the intermittent character of the work and the multiplicity of and changing of the crafts during the construction of the ship.

With the foregoing referred to information before the presiding officer for the Administration, A. D. Whiteside, Deputy, the final agreed form of the Code was submitted by the shipbuilders at the termination of the hearings and it contained the 40 hour provision. (Ref. Exhibit B, Appendix)

The post hearing conferences were conducted by General Hugh S. Johnson, Administrator. No account of the conferences could be found by the author. Therefore, it was necessary to go to two principals that attended such conferences. Their written statements are set forth on pages 58, 59, 60 and 61 hereof.

The statement herein made by H. Gerrish Smith, President of the National Council of American Shipbuilders and later Chairman of the Code Authority, has been confirmed a number of times by others that were present at these conferences. His account clearly sets forth the manner in which the Government through the Administrator imposed restricted hours on this Industry. Mr. John P. Frey, President of the Metal Trades Department, American Federation of Labor in his statement does not specifically mention weekly hours, but his statement is of value when read in connection with the statement of H. Gerrish Smith.

The Industry soon learned the difficulties that it was under due to the restricted hours and as early as August 31, 1933, a formal protest was filed with the National Labor Board and on October 16, 1933, C. L. Bardo, President of the New York Shipbuilding Corporation, addressed a letter to General Hugh S. Johnson, Administrator of N. R. A. and

Honorable Robert F. Wagner, Chairman, National Labor Board, which was accompanied by an "Analysis and Effect of the National Industrial Recovery Act as Applied and Interpreted in the Shipbuilders' and Shiprepairers' Code Approved July 26th, 1933". (Ref. Labor Folder Deputy's Files)

Excerpts from the letter are as follows:

"October 16th, 1933.

"General Hugh S. Johnson, Administrator
National Recovery Administration

Honorable Robert F. Wagner, Chairman
National Labor Board,
Washington, D. C.

"Gentlemen:

"Under date of August 31, 1933, pursuant to instructions received from Mr. Dewey of the National Labor Board, a formal protest, accompanied by a joint statement of fact signed by the Chairman of the Shop Committee and by myself, was filed, protesting against the unreasonable restriction of hours for shipyard workers engaged in government work, and requesting that these hours be increased from thirty-two to forty hours a week.

"The Shipbuilders' Code became effective on August 6th and we have operated thereunder since that date.

"The primary purposes of the Act were to reduce unemployment, increase consumption, and utilize to the fullest possible extent the productive capacity of industry under a so-called partnership agreement between the government, industry, labor and the consumer.

"As applied to shipbuilding, the Code has signally failed to accomplish these results.

"Shipbuilders are large consumers of materials and supplies. The shipyard is the end of the economic trail for all raw or finished materials bought either for incorporation in the ship or for use in the manufacturing processes or the maintenance of the plant. The productive capacity of the plant should, therefore, be increased if the purposes of the Act are to be accomplished to the fullest possible extent, instead of being restricted as the Code does.

"Notwithstanding the 25% increase in the hourly rates for hourly rated employees, whose rates are now 7½% higher than they have been any time since the war, under which the hourly rated men are now receiving for 32 hours work the same amount they heretofore received for 40, there is very great dissatisfaction and unrest in the forces, with a corresponding loss of productive efficiency; all of which is being seriously reflected in the operating results of the company, as evidenced by the statement shown on page four of the accompanying brief, which clearly shows a loss in productive efficiency as applied to the Cruiser TUSCALOOSA of 4.11% in June, with 1814 men working 313,000 plan man hours, to 3.47% completion in September, with 2657 men working 332,457 plant man hours; with an increase in payroll of $55,000 for the last month.

"To conclude, the operation of the Code unduly restricts the consuming productive capacity of the plant 25%. It restricts the productive capacity and earnings of the employees by a like percentage. It has not increased employment, as the same number of men would have been employed on a 40-hour week as are now employed on the 32-hour week.

"There is attached to this letter an analysis which has been prepared after a careful review of the entire situation.

"We, therefore, urgently request that prompt and serious consideration be given to a modification of the maximum weekly working hours, prescribed by the Shipbuilders' and Shiprepairers' Code, from 32 to 40 hours, in order that these intolerable and wholly unjustified conditions may be removed and that the productive and consuming capacity of the plant and its workers may be restored to the basis established by mutual consent and in effect prior to the adoption of the Code.

"Very truly yours,

"NEW YORK SHIPBUILDING CORPORATION,

"By /s/ C. L. Bardo
C. L. Bardo
President."

This analysis is a very complete and fair document accompanied by four photostatic graphs. It clearly sets forth the effect of the restricted hours on the Industry and written by those that have proper knowledge of the Industry and, therefore, have the ability to handle such a subject.

This document is filed in the Labor Folder, Deputy's Files. Excerpts from the Analysis are as follows:

"This statement is prepared for the purpose of showing that the existing provisions in the Code of Fair Competition of the Shipbuilding and Shiprepairing Industry, as approved by President Roosevelt on July 26, 1933, in so far as they restrict the hours of labor forty (40) hours per week, whether for merchant or United States Government Shipbuilding, actually operate to defeat the objectives which the Industrial Recovery Act was designed to accomplish, in that:

"(a) No increase in employment is effected.

"(b) Needless loss in buying power results.

"(c) Actual decrease in consumption of industrial products inevitably follows.

"(d) Needless decrease in production is occasioned.

"(e) The full productive capacity of the industry is not utilized.

"(f) Insurmountable obstructions are thrown in the way of foreigh commerce.

"(g) Unfair competitive advantages result to other employees in shipyards operated by the Government, and in comparable trades.

"Every failure in this respect is directly opposed to the declared purposes of this great National experiment, many of which are catalogued in the 1st section of the National Industrial Recovery Act.

"1. <u>THE PURPOSE OF THE NATIONAL INDUSTRIAL RECOVERY ACT IS TO FREE BUSINESS, NOT TO SHACKLE IT.</u>

"The recitals in the 1st Section of the National Industrial Recovery Act are specific and significant. This section reads as follows:

'A national emergency productive of widespread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of living of the American people, is hereby declared to exist. It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision to eliminate unfair competitivepractices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources.'

"In the attainment of these purposes, it was not intended that private enterprise should be managed or directed by the Government. On the contrary, in his address to the Chain Store Executives on June 23, 1933, the Administrator said:

'The function of this Administration is not to reach out and control your industry, but for you to come to this table and offer your ideas as to what you can do to clear up the difficulties in your industry ... We are not here to tell you how to run your business.'

"This is in line with the statement previously made by the President when he signed the National Industrial Recovery Act, wherein the statement used above as a caption occurs. He there said: (See Bulletin No. 1, page 3)

'We are putting in place of old principles of unchecked competition some new Government controls. They must above all be impartial and just. Their purpose is to free business - not to shackle it - and no man who stands on the constructive forward-looking side of his industry has anything to fear from them.'

"In the formulation of Codes, the conditions and needs peculiar to each industry are to be taken into account, the plan depending for its success upon specialization, as opposed to generalization. In Bulletin No. 2 of the NRA (page 2, sec. 6) the following statement is italicized.

> 'It is not the function of the National Recovery Administration to prescribe what shall be in the codes to be submitted by associations or groups. The initiative in all such matters is expected to come from within the industry itself.'

"The responsibility for the adjustment of the regulations to govern the maximum hours of labor so as best to accomplish the purposes of this legislation, rests primarily upon the employers in each industry, who understand and observe its operations. In the same Bulletin (No. 2, sec. 7 (a)) the necessity of considering each industry independent of every other, is made the subject of special emphasis, as follows:

> 'Basic code provisions relating to maximum hours may involve appropriate consideration of the varying conditions and requirements of the several industries and the state of employment therein. An average work week should be designed so far as possible to provide for such a spread of employment as will provide work so far as practical for employees normally attached to the particular industry.'

"3. THE REDUCTION FROM A 40-HOUR WEEK TO A 32-HOUR WEEK HAS CAUSED DISCONTENT AND INEFFICIENCY.

Coincident with the effective date of the Code, the Management of this Corporation, after consultation and in cooperation with the two remaining major shipyards, decided as a temporary measure, in the hope of avoiding unrest and the disturbance of these harmonious labor relations, to increase the rates of hourly paid employees 25% instead of the 11.2% authorized in the Code, in order that these employees might enjoy not less than the same weekly earnings under the Code which they were receiving under the hours in effect immediately prior to July 1st. The hourly rates as thus established under the 25% increase are 7½% higher than the highest hourly rates paid since the readjustment after the War in 1921.

"In the utmost good faith, the Management of this Corporation promptly increase its force of workers, from 1923 on July 31st, to 2366 by August 31st, and to 2657 by September 30th, while the productive shop hours remained constant, and the pay rolls increased substantially $12,000 per week, without any corresponding offset in productive output. At the same time there was a noticeable decline in efficiency, as plainly appears by reference to the following comparison of work done - as determined by Government agents - with the increased hours and pay.

Month	% Completion	Payroll	Total Man Hrs. Plant	No. Men
June 1933	4.11	$180,735.83	313,000	1814
July 1933	3.51	171,752.71	312,000	1923
Aug. 1933	3.43	215,953.51	309,783	2366
Sept. 1933	3.47	235,749.52	332,457	2657

"This loss in efficiency is attributable to the dissatisfaction of the employees with the unreasonable restrictions that have been placed upon their earning power, by the reduction of their work hours from 40 to 32 hours per week. It presents an exceedingly serious problem. A comparison of the figures for September with those for July, the month which preceded the effective date of the Code, shows that slightly less work was accomplished by 734 more men, working 20,457 more man hours, at an increased cost to the Corporation of $63,997.

"8. THE BUYING POWER BOTH OF THE EMPLOYEES AND EMPLOYER IS SERIOUSLY CURTAILED.

"The relation between buying power as applied to the Corporation, and buying power as applied to the men employed by the Company, is clearly set out in the figures quoted below.

Year of Period	Average number of factory employees on payroll during period covered	Average actual hours per week per employee during period covered	Total factory payroll for period covered	Total cost of Materials, containers, fuel, and electric energy used during period covered
1933:				
Latest week for which data are available-ended 8/26/33	2232	32.15	65,133.80	43,382.51
January through June	2622	39.95	1,688,504.52	1,709,847.25
1932:				
July through Dec.	3124	40.26	2,500,835.56	2,591,897.55
Jan. through June	5265	40.08	3,563,807.11	3,767,973.07
Total	4194	40.16	6,064,642.37	6,359,870.62
1931: Total	4049	39.31	6,043,910.49	8,459,248.77
1930: Total	3208	45.71	5,331,095.30	8,797,401.87
1929: Total	2768	45.54	4,460,615.81	5,968,863.01

"From this it will be noted that throughout the period covered, expenditures for material, with one exception, substantially exceeded the expenditures for labor in the shipyard.

" 9. SHIPYARDS ARE LARGE CONSUMERS OF THE PRODUCTS OF OTHER INDUSTRIES.

For every dollar expended for labor in the shipyard, experience shows - as indicated by the foregoing analysis, that substantially another dollar is expended for labor in outside industries, in the preparation of materials and finished products which are consumed in the shipyard itself, either in production or in operation and maintenance. Or, to put it in another way, for every hour of labor employed in the shipyard in the building of a ship, an equivalent hour of labor is required to be employed in outside and auxiliary industries. The effect of placing an arbitrary limit of 32 hours a week upon the operation of a shipyard, instead of 40 hours, for a single shift, or 64 or 80 hours for a double shift of 32 or 40 hours respectively, is to decrease the productive demands upon outside industries to the extent of 25 percent., a very substantial item when the urgency for the speedy augmenting employment and buying power is contemplated."

The subject was brought to the attention of the President, who requested the National Labor Board study the relation between the Navy yards and private shipbuilding concerns in regard to wages, hours of employment and similar matters. Pursuant to this request the Chairman

of the National Labor Board on September 22, 1933, appointed a Sub-Committee to make this study. This Committee consisted of William H. Davis, Deputy Administrator, N. R. A. Chairman; H. Gerrish Smith, Chairman of the Code Authority, and John P. Frey, President of the Metal Trades Department, American Federation of Labor. The report of this Sub-Committee to the National Labor Board is on file in the Labor Folder, Deputy's Files.

Excerpts from this report are as follows:

"HOURS OF EMPLOYMENT

"The prevailing hours of employment in the Navy Yards are forty (40) hours per week. In the private shipbuilding yards the prevailing hours for employment are thirty two (32) hours per week on Government (Navy) shipbuilding and thirty six (36) hours per week on private shipbuilding and on all shiprepairing, as provided in the code approved July 26, 1933.

"The prevailing hours of employment in the private yards on shipbuilding and shiprepairing paid for out of Public Works Administration funds for Government departments other than the Navy are thirty (30) hours per week under the Public Works Administration Bulletin No. 51.

"At the time the shipbuilding and shiprepairing code was signed it was intended by the NRA, and expected by the industry, that Navy Yards would operate on the hours provided for in the code.

"These are the circumstances that led to confusion and discontent of both management and labor in the industry, and have brought about the discussion of the subject by the Executive Council and the reference to the National Labor Board.

"It is the opinion of the majority of members of your subcommittee (Mr. Davis and Mr. Smith) that nothing less than a uniform work-week in all shipyards, including Navy Yards, will put an end to this confusion and discontent. Mr. Frey does not disagree with this opinion as to private yards, but reserves his opinion on this point only as to the Navy yards.

"In the private shipbuilding yards the prevailing hours in 1929 may be taken as forty four (44) hours a week. In 1932 these hours were cut to forty (40) hours in the share-the-work movement, and in the same year there was a percent cut in hourly wage rates of fifteen percent (15%), so that on July 1, 1933, the pay envelopes were doubly reduced; first, by the decrease in hours per week and, second, by the decrease in hourly rates.

"The shipbuilding and shiprepairing code requires that:

> 'In no event shall any employer pay an employee a wage rate which will yield a less wage for a work-week of thirty six (36) hours than such employee was receiving for the same class of work for a forty (40) hour week prior to July 1, 1933. It is

understood that there shall be no difference between hourly wage rates on commercial work and on naval work, for the same class of labor in the same establishment.'

"The private shipbuilding yards that are working on Navy contracts have gone beyond the provisions of the code and are paying an hourly rate which will give the same pay envelope for thirty two (32) hours of work than the men received for forty (40) hours of work on July 1, 1933.

"In spite of this, however, because of the shortened hours, the pay envelopes still present the lean appearance they had on July 1, 1933, and represent a depression wage to the men. This is the basis of the complaint made to this Board by representatives of several of the larger shipbuilding plants.

"In the construction industry, to which the provisions of the Public Works Act particularly apply, each construction project is separate from other construction projects so far as the employment of labor is concerned; the hours of work on one construction project do not directly affet the hours of work on another construction project. In the shipbuilding and shiprepairing industry, however, the various types of work above discussed may be going on in the plant at the same time; giving rise to direct conflict of different hours of work in the same plant.

"In any industry different work-weeks for the same class of labor tend to create a competition for labor in which the projects operated on the shorter week are at a disadvantage if the pay per hour is the same, and the projects operated on the longer week are at a disadvantage if the hourly rate is afjusted to give an equal pay envelope. In the shipbuilding and shiprepair industry the compeition is not only with the Navy Yards but also with other industries that employ the same kinds of labor, and the difficulty is greatly exaggerated, as the experience of the code authority has already definitely shown, by reason of the fact that the code definition of the industry includes 'fabricating' of ships and the 'Building within the plants of machinery, equipment and other ships' parts'. This is already giving rise to disputes as to whether a fabricating plant which fabricates materials for ships is a shipbuilding plant; and it has also given rise to artificial transferring of fabricating operations and of the building of machinery, equipment and other ships' parts to plants which operate under other codes on a forty (40) hour week and which are not shipbuilding plants. This results in artificial and unfair competitive conditions which is certainly very difficult, and perhaps impossible to control.

"RECOMMENDATIONS

1. That the National Labor Board recognize and declare that a solution of the difficulties presented in the shipbuilding and shiprepair industry demands a uniform work-week for all shipbuilding and shiprepairing in all private yards, and preferably also in the Navy Yards.

2. That the National Labor Board recognize and declare that the

Navy Yard wages as fixed by the Wage Board of Review under the Act of 1862 cannot be altered except by that Board and are not to be a subject matter of discussion in the settlement of the present difficulty.

3. That for the purpose of immediately working out the problem of hours and wages in the shipbuilding and shiprepairing yards, within the above stated principles, by conferences and joint agreements, a conference be promptly called by the National Labor Board of persons representing:

(1) The employees in the shipyards who have complained to the Board. (It being understood that the Board will determine whether the proposed representatives are truly and adequately representative of the employees in the private shipyards).

(2) The international unions whose members are employed in the shipyards, such representatives to be chosen through the Metal Trades Department of the American Federation of Labor and approved by the President of the American Federation of Labor.

(3) The shipyard owners, and

(4) The National Recovery Administration.

And that in addition thereto the Public Works Administration and the Secretary of the Navy be invited to be represented in the conferences.

4. That in its deliberations the conference shall be guided by the facts established by this report; by the primary purposes of the National Industrial Recovery Act as herein defined; by the need to safeguard commercial business of the private yards, having in view the permanent welfare of both labor and capital in the industry, and by those conditions which will lead to the maximum immediate employment of men consistent with the greatest speed of progress on the new ships.

5. That the joint agreement so arrived at be submitted to the National Labor Board for its approval and as a basis of its recommendations to the President.

"Respectfully submitted

William H. Davis

H. Gerrish Smith

"Note: This report has not been reviewed by Mr. Frey, but his agreement with the general plan is expressed in his attached letter of October 27, 1933.

9732

"November 1, 1933"

Following the receipt of the foregoing report of the Sub-Committee a conference was held under the auspices of the National Labor Board and presided over by the Chairman of the Sub-Committee on November 13, 1933. At this conference all interested parties were represented.

On December 5, 1933, a public hearing was held by the National Labor Board following its acceptance of the facts established by the Sub-Committee report. In addition to the establishment of the facts supplied by this report, witnesses were heard from all parties of interest, who requested to be heard. (Ref. report of the National Labor Board, dated March 22, 1934, Deputy's Files.)

No definite action was taken by the National Labor Board until March 22, 1934, when recommendations and findings were made as per the following:

"NATIONAL LABOR BOARD

WASHINGTON D.C.

March 22, 1934

"RECOMMENDATIONS TO THE EXECUTIVE COUNCIL

BY THE NATIONAL LABOR BOARD ON EMPLOYEE

RELATIONS IN THE SHIPBUILDING AND

SHIPREPAIRING INDUSTRY

"Pursuant to the request of President Franklin D. Roosevelt that the National Labor Board study the relationship between the Navy Yards and private shipbuilding concerns in regard to wages, hours of employment and similar matters, the Board makes the recommendations embodied in this report.

"On September 22, 1933, a Sub-committee was appointed by the Chairman of this Board as a fact-finding body to determine the exact prevailing conditions with regard to this question. This Sub-Committee reported back to the Board on November 1, 1933, embodying in its report (copy attached) substantially all the necessary facts regarding the prevailing situation.

"Following receipt of this report a conference was held under the auspices of the Board and presided over by the Chairman of the fact-finding Sub-committee, on November 13, 1933. At this conference all interested parties were represented.

"On December 5, 1933, a public hearing was held before the National Labor Board following its acceptance of the facts established by the

Sub-committee report. In addition to the evidence supplied by this report, witnesses were heard from all parties in interest who requested to be heard.

"FINDINGS

"The Board finds, on the basis of all evidence submitted for their consideration, that a work week of thirty (30) hours and the Public Works Administration scale of wages is not practicable and feasible in the Shipbuilding and Shiprepairing Industry.

"The Board recommends in the light of this finding:

1. That athirty-six (36) hour week be established in the Industry for all shipbuilding.

2. That for all shiprepairing an average of thirty-six (36) hours per week over a six months' period be established, and that the maximum hours in any one week be established at forty (40) hours.

3. That the desirability of uniform hours in the shipyards and in the Navy Yards be recognized, and in the event that such equalization is not brought about within a period of six months from the date hereof, the Administrator of the Industrial Recovery Act shall review the question of weekly hours in the shipyards.

4. That the hourly wage rates now prevailing in private yards shall not be reduced because of the increase in hours, (except rates resulting from the application of P. W. A. Bulletin No. 51).

5. That a Board upon which employees and employers are equally represented be established to study wage problems which arise from the establishment of the thirty-six (36) hour week provided for in Section 1 and 2 hereof, and that it shall be a function of this Board to equalize by negotiation any unfair competitive inequalization in wage rates that may exist as a result of the past application in the Industry of the wage and hour provisions of the Code plus the present application of the hours and wage rates provided for in Sections 1, 2 and 4 hereof.

"If or when there is set up in the Industry an Industrial Relations Board approved by the National Recovery Administration the foregoing duty and functions shall devolve upon that Board."

"(signed) Robert F. Wagner
Robert F. Wagner
Chairman

"S. Clay Williams
L. C. Marshall
Ernest G. Draper
Francis J. Haas

"Henry S. Dennison
George L. Berry
John L. Lewis

It is pointed out by the author with regard to the foregoing findings, that December 5, 1933, was too early to have substantial data on the extraordinary increase of the average wage rate.

The President approved the recommendations of the National Labor Board as per the following letter:

"THE WHITE HOUSE

WASHINGTON

March 27, 1934

"Honorable Harold L. Ickes, Administrator
Federal Emergency Administration of Public Works
Washington, D. C.

"My dear Mr. Secretary:

I have today approved the recommendation presented to me by the National Labor Board, pursuant to my request that they study the relationship between the Navy Yards and private shipbuilding concerns in regard to wages, hours of employment, and similar matters.

"Administrator Hugh S. Johnson has been directed by me to effect the amendment of the Shipbuilding and Shiprepairing Code in accordance with the findings and recommendations of the National Labor Board.

"When these amendments are made and become effective, you are directed to adjust the Public Works Administration scale of wages, hours of employment, and similar matters now prevailing for shipbuilding and shiprepairing, to correspond with the Shipbuilding and Shiprepairing Code as amended.

"Very sincerely yours,

"(signed) Franklin D. Roosevelt,

"PRESIDENT"

In accordance with the foregoing, General Hugh S. Johnson, Administrator, approved amendment No. 3 to the Code, dated April 2, 1934, whereby the hours for building Naval vessels was made 36 hours per week to correspond with the hours for commercial work. (Ref. Exh. A, Appx. and Code Record Section.

In due course a separate board for Public Works on May 9, 1934,

passed the following resolution:

"Whereas, by the approval of the President of March 27, 1934, of the recommendation of the National Labor Board relative to questions of hours and wages in the Shipbuilding and Shiprepairing Industry confers upon the Industrial Relations Committee of the Shipbuilding and Shiprepairing Industry the duty of studying wage problems arising from the establishment of a thirty-six hour week in that Industry -

"Be it Resolved, That on all projects financed with funds allotted by the Public Works Administration, where the hours and wage rates provided for in Bulletin No. 51 are in effect, such hours and wage rates shall remain in effect until July 1, 1934: Provided, That on July 1, 1934 and thereafter the hours of employment on such projects shall be thirty-six per week or such other hours per week as may be authorized by the Administrator for Industrial Recovery under the Code for the Shipbuilding and Shiprepairing Industry.

"Be it Resolved further, That the wage rates on such projects in private shipyards shall be adjusted by the aforesaid Industrial Relations Committee, such wage rates to be determined by that Committee before June 15, 1934: Provided, That in the event the said committee fails to make such adjustment in wage rates by June 15, 1934, such adjustments shall be made by the National Labor Board.

"Be it Resolved further, That the wage rates on shipbuilding and shiprepairing projects in private shipyards financed with funds allotted by the Public Works Administration where Public Works Administration Bulletin No. 51 has not been applied shall likewise be determined by the aforesaid Industrial Relations Committee whenever such adjustment may be hereafter adjudged by such committee to be necessary."

The Industrial Relations Committee for the Shipbuilders in accordance with the foregoing resolution duly took action on this matter and addressed a letter to the Hon. Harold L. Ickes, Federal Administrator for Public Works, recommending that no adjustment in wage scales be made on existing contracts under construction that had been let under P W. A. Bulletin 51. (Ref. Minutes June 7, 1934, Industrial Relations Committee)

The dissatisfaction of the employees with the small pay envelope due to restricted hours was the cause of the New York Shipbuilding Corporation plant going on a strike March 27, 1934. This strike continued about seven weeks and was finally settled by agreement between the Industrial Union of Marine and Shipbuilding Workers and the company as of May 11, 1934. The contract provided for an increase of pay on an average amounting to about 13%. (Ref. copy of the contract referred to in the Labor Folder, Deputy's Files) It has been previously set forth that this company had increased the wage scales 25% above that of July

1933, and, therefore, when this last increase came this company's scales stood approximately 38% above the scale at the time of the approval of the Code.

Further other major shipyards that had raised wage scales 25%, increased their wage scales further 10% when it was learned from the findings of the National Labor Board and the approval of the President that the 40 hour work week would not be immediatly granted. Thus the wage scales were enforced by the restricted weekly hours far above the scales of 1929.

The matter became so serious that the Code Authority on April 24, 1934, passed the following resolution: (Ref. Minutes Code Authority, Deputy's Files)

> "THEREFORE, NOW BE IT RESOLVED: It is the opinion of the Code Authority for the Shipbuilding and Shiprepairing Industry that the stabilization of the Industry, the elimination therefrom of unfair competitive practices and the maintenance of harmonious relations between management and employees, requires the establishment of forty hours a week of employment throughout the shipbuilding branch of the industry and an average of forty hours a week over a six months period with sufficient leeway to permit a maximum of forty-eight hours of employment in any one week for the shiprepairing branch. The Code Authority recommends immediate approval of the above changes in hours for the Shipbuilding and Shiprepairing Industry."

The foregoing resolution was submitted to the Administration by letter from H. Gerrish Smith, Chairman of the Code Authority to J. B. Weaver, Deputy Administrator, dated April 24, 1934. (Ref. Labor Folder, Deputy's Files)

Following the foregoing letter, May 2, 1934, H. Gerrish Smith, Chairman of the Code Authority, addressed J. B. Weaver, Deputy Administrator further, setting forth the situation in regard to restricted hours in the shipyards. (Ref. Labor Folder, Deputy's Files) Excerpts from this letter are as follows:

"After this hearing some minor modifications were made in the committee's report and a public hearing was held before the National Labor Board on December 5, 1933.

"Both the preliminary report and the report submitted at the hearing on December 5th recommended a forty hour week and it is understood that the National Labor Board at a meeting sometime subsequent to the hearings of December 5th voted in favor of giving the Shipbuilding and Shiprepairing Industry a 40 hour week. The report was not signed, however, and after a considerable lapse of time the sub-committee was informed that Congress might possibly reduce navy yard weekly hours and therefore that some lesser hours per week for the shipbuilding industry should be adopted for the time being, than the 40 hours, as recommended. All reports and findings up to February 12th strongly urged the forty hour week for shipbuilding and still longer hours for repair work, but

with a view to securing action the committee, after consulting with the industry, recommended 36 hours instead of 40, but with a provision

> 'That the desirability of uniform hours in the shipyards and in the navy yards be recognized, and in the event that such equalization is not brought about within a period of six months from the date hereof, the Administrator of the Industrial Recovery Act shall review the question of weekly hours in the shipyards.'

(This provision is in the report as finally approved).

"All records in this office indicate that up to February 12th paragraphs #1 and #2 of the Findings read as follows:

> "1. That a forty (40) hour week be established in the Industry for all shipbuilding.
>
> "2. That in the event the hours in the Navy Yards are hereafter reduced, then the hours for all shipbuilding may be reduced by the Administrator to whatever level, not below the new level in the Navy Yards, is found by him to be practicable and feasible.

"The report, as finally approved provided thirty-six (36) hours for shipbuilding, effective as of April 7, 1934.

"GOVERNMENT ANSWER TO HOURS PER WEEK

"In the meantime the Independent Offices Appropriation Bill was passed by Congress over the President's veto on March 28th. This bill contains a very significant paragraph with reference to wages of civil employees on Government work which restores 'the full weekly earnings of such employees in accordance with the full time weekly earnings under the respective wage schedules in effect on June 1, 1932: Provided, That the regular hours of labor shall not be more than 40 per week.'"

"The Navy Department promptly established a forty hour week of five days - eight hours each, and it is understood that under this act Navy Yard employees receive 48 hours pay for 40 hours work.

"The reason that led to the reduction from 40 to 36 hours in the report of the National Labor Board appears to be no longer valid as Congress has disposed of this matter in the legislation just referred to and in view of the specific recommendation of the National Labor Board, as approved by the President, regarding hours, to wit:

> 'In the event that such equalization is not brought about within a period of six months from the date hereof, the Administrator of the Industrial Recovery Act shall review the question of weekly hours in the shipyards.'

"It is submitted that there is no longer any occasion for delay in authorizing working hours in the private Shipbuilding Industry to conform

with those that obtain in the Government Navy Yards.

"Another fact of great importance and capable of a positive check is that the hours, as approved in over ninety percent of all Codes, are forty or more per week and that as far as we are able to determine there is only one code (outside of the Shipbuilding Code) of an industry performing work of a similar character that is working on less than 40 hours per week."

The conference of May 7, 1934, held by General Hugh S. Johnson. As a result of the resolution of the shipbuilders and letter of May 2, 1934, from the Chairman of the Code Authority, this conference was called by the Administrator. There were present the following:

"Administration

General Hugh S. Johnson
J. B. Weaver
G. H. Shields
H. Newton Whittelsey

"Shipbuilders & Shiprepairers

H. L. Feguson - Newport News S/B & D/D Co.
Robert Haig - Sun S/B & D/D Co., and Member of Code Authority
C. L. Bardo - New York Shipbuilding Corp.
Joseph Haag, Jr. - Robins D/D & Repair Co., and Member of Code Authority
A. B. Homer - Bethlehem Shipbuilding Corp.
J. W. Powell - United Dry Docks, Inc.
H. Gerrish Smith - President, National Council of American Shipbuilders and Member of Code Authority

"Navy Department

Assistant Secretary of the Navy, Henry L. Roosevelt
Captain Henry Williams - Member of Code Authority representing the Navy Department

"Industrial Advisory Board

Mr. Taylor

"Labor Advisory Board

Mr. McGrady

"Labor, Generally

John P. Frey, President, Metal Trades Dept., A.F. of L.
Joseph Franklin, President of Boilermakers and Iron Shipbuilders
Arthur Wharton, President of International Assoc. of Machinists
William McGinn, Vice-Pres. of International Assoc. of Bridge

and Structural Iron Workers
Joseph S. McDonagh, Legislative Representative of International Brotherhood of Electrical Workers"

No written record of the conference could be found by the author, who at this time had lately joined the N. R. A. organization. In fact the author does not remember any stenographer being present taking notes. Therefore, there was a letter addressed to Mr. H. Gerrish Smith, Chairman of the Code Authority, and a letter to Mr. J. S. McDonagh, Labor representative on the Code Authority, both of whom were present at the conference. The letters requested an account of the proceedings as each remembered same or had a record of same. In reply Mr. H. Gerrish Smith wrote to H. Newton Whittelsey, Assistant Deputy Administrator, on September 30, 1935, and Mr. J. S. McDonagh dictated a reply, copies of both are found in the Labor Folder, Deputy's files. They are later referred to herein.

The conference was opened by the Administrator, General Hugh S. Johnson, then Mr. H. Gerrish Smith presented the request of the shipbuilders and outlined the difficulty that they found themselves in due to the restricted weekly hours, following closely the matter contained in his letter of May 2, 1934, to J. B. Weaver, Deputy Administrator, heretofore referred to. He was followed by Mr. C. L. Bardo, President of the New York Shipbuilding Corporation, who submitted considerable data and graphs, the purport of which was to prove that the increase of employment expected was not being effected as the restricted hours were delaying the work on the Naval program, and greatly increasing costs for both Naval and Commercial work, thereby further restricting employment. He also submitted the Cloverdale and Colpitts report. (Ref. Labor Folder, Deputy's Files)

Mr. Homer L. Ferguson, President of the Newport News Shipbuilding and Dry Dock Company spoke on the matter of double shifts. He set forth the general conclusion that it was not practical in shipbuilding to employ more thanone and one-third shift; also that in a 36 hour week and 8 hours per day that only 4 hours could be worked on Friday, that in shipbuilding it requires approximately one hour to get the shipyard into operation and one hour to close down and, therefore, in the 4 hours on Friday only two productive hours were gained, whereas there was a payroll for 4 hours.

Other speakers for the shipbuilders were Mr. J. W. Powell, President of the United Dry Docks and Robert Haig, Vice-President of the Sun Shipbuilding Company; also A. P. Homer, representing the Bethlehem Shipbuilding Corporation was present with considerable data and graphs. Wage scale data was submitted and the uneconomical situation set forth. The lack of commercial contracts was discussed due to the resulting high cost from the higher scales to which the shipbuilders had been forced by the restricted hours. Further it was set forth there would be a shortage of skilled labor, which was commented on by Mr. John Frey, President of the Metal Trades Department, American Federation of Labor.

Reference is made to the letter of H. Gerrish Smith, dated September 30, 1935, of which the following is an excerpt:

"The meeting was devoted to a discussion of a 40-hour week for the Shipbuilding and Shiprepairing Industry. Statements were made by H. Gerrish Smith, C. L. Bardo, H. L. Ferguson, J. W. Powell, and Robert Haig.

"A direct request was made for a 40-hour week for both the Shipbuilding and Shiprepairing Industry with more latitude under weekly hours on Shiprepairing. The discussion was long, with continued objections on the part of labor to any extension of hours in Shipbuilding.

"General Johnson made a remark at the beginning of the conference that if the Shipbuilding and Shiprepairing employees wanted longer hours he would give it to them in a minute and suggested getting a poll of employees. He also said he would like to have his own people check up on some of the statements that were made. The final outcome of the meeting was that General Johnson would send someone to the plants to make a study of the situation. General Johnson seemed to recognize fully the force of the argument for a longer work week on Shiprepairing and also that there are many bottle necks in Shipbuilding that should be opened up. General Johnson stated that Mr. Henderson of the N.R.A. Research Division would study the data presented at the hearing. H. Gerrish Smith offered to cooperate on behalf of the Industry on any study that General Johnson might wish to initiate.

"I contacted the Research Division several times and was informed that they were making a study of this situation and that a report was ultimately made to General Johnson, the character of which I was unable to ascertain."

The conference closed substantially as outlined in Mr. Smith's account. Mr. Leon Henderson, Chief of the Research and Planning Division, was present during the latter half of the conference.

Reference is made to the following memorandum, copy of which was sent to the author by Colonel G. A. Lynch, Administrative Officer with other papers pertaining to the 40 hour question.

"May 16, 1934

"MEMORANDUM

TO GENERAL Hugh S. Johnson

FROM Leon Henderson

SUBJECT Petition of Code Authority of Shipbuilding and Shiprepairing Industry to establish a 40-hour week, and, further leeway for repair workers.

"I see no reason to grant the request. The division could write for you a 50 page report, but the net would be the same. No.

All the competent opinion we have consulted support your general attitude to the request.

"The only valid reason for increasing the hours would be emergent need of the ships by the Navy Department.

"OBSERVATIONS

"Bottlenecks: Certainly there are bottlenecks. But a 40-hour week, throughout, would not eliminate these - the relationships would still be preserved. Yet the report submitted by the New York Shipbuilding Co. states 'There is no advantage in having the longer week period in one or two departments if it is not permitted in all.'

"Remedy for Bottlenecks: (1) Overtime, with time and half time pay. This is contemplated by the Code.

(2) Double-shifts. There is an admitted loss in effectiveness, but some yards are using the second shift. It seems to be a question of management.

"Shortage of Skilled Men: There seems to be no actual shortage, no statistical shortage, and no possible shortage, except for anglesmiths. The Bureau of Labor Statistics furnished Deputy Weaver with a tabulation showing that this shortage would not occur until March, 1935, and then only for about 60 anglesmiths.

"An artificial shortage may exist, due to the selectivity of the shipyards. I feel that this gives us no reason to interfere in the labor market.

"If a real shortage develops, overtime pay and exemptions, rather than a 40-hour week, is sufficient. The Industrial Relations Committee has handled similar questions.

"Workers and the 40-Hour Week: No doubt those employed wish the longer week. The A.F. of L. unions oppose it. I do not favor a vote being taken on the matter. Ed McGrady and John Frey oppose it.

"P.W.A. Projects: I called PWA and found that aresolution had been passed providing 'that on July 1, 1934 and thereafter the hours of employment on such projects shall be thirty-six per week or such other hours per week as may be authorized by the Administrator for Industrial Recovery under the Code for the Shipbuilding and Shiprepairing Industry.' I asked about the 40-hour week and got the suggestion that bottlenecks be handled by time and half-time for overtime.

"QUESTIONS

"Do you feel under the circumstances that we need (1) to send an industrial engineer to the yards, or (2) to take

a vote of the workers?

.. ..

"I have a dignified, weighty, documented report you can have if you desire - which I doubt.

.. ..

"Captain Williams, of the Navy, tells me that most of the claims of the shipbuilders are pretty fishy. The Navy would like to have the ships - but Secretary Swanson has given order to go along with your decision. Admiral Land (?) would like to talk to you once more when you are about ready to decide."

"/s/ Leon"

With reference to the foregoing memorandum the author points out the following.

That time and one-half for overtime was not the solution of the bottlenecks for each application for an exemption or stay to permit overtime work was stubbornly contested by certain Advisory Boards as the record of the cases under Exemptions and Stays in this history fully discloses. That in regard to the shortage of skilled men the data received from Isador Lubin, Commissioner of Labor Statistics, sets forth that, in 1933 there were 255 wage earners in the Federal Navy yards on new Naval construction, in January 1934 there were 2393, in July 1934, 8992 and finally in October 1935 there were 24,690. That is the Navy yard's demand was 24,445 men. The increase of employment in private yards was from 28,432 as of July 1933 to 43,411 in October 1935, an increase of 14,979 men, or a total increase from July 1933 to October 1935 of 39,424 men for both Naval and private shipyards. This is what the shipbuilders tried to point out, estimate and prophesy because they alone had the knowledge and ability to figure the man hours required to build these Naval vessels and they alone understood fully the high class of craftsmanship that would be required on these, the most complicated ships for any Navy.

Not only has it been necessary to run welding schools in the principal shipyards and Navy yards, but skilled fitters (who are the real shipbuilders of a steel shipyard) are impossible now to obtain. Not only are the private shipbuilders now training ship fitters, but the writer knows of his own knowledge that the Philadelphia Navy yard is doing the same thing. It was ridiculous to point to 10,000 boilermakers that may have been out of work and expect them to attempt to do the work of a skilled ship fitter or expect an ordinary electric welder to do ship welding without much schooling and tests of his work at a cost of about $75.00 per man.

That apparently the memorandum recommended the poll be not taken of the shipyards to determine the desire of the employees and it was not taken, and the need of sending Industrial Engineers to the yards

was questioned and it was not done, although the shipbuilders understood a thorough investigation was to be made including these two items.

That the reference in the memorandum to Captain Henry Williams of the Navy is replied to by a letter from Captain Williams, dated December 23, 1935, addressed to the author as follows: (Ref. Labor Folder, Deputy's Files)

"Dear Mr. Whittelsey:

"You are entirely right in saying that I urged consistently a 40 hour week for the shipyards. In the preliminary hearings on the Code, you will find that the Navy Department representatives all urged the larger week, and in all subsequent hearings I held the same attitude. There is ample record of that fact and if you care for any documents on the subject, I can supply them.

"I had previously seen Leon Henderson's memorandum and report and I can tell you that an intelligent analysis of it does no credit to the correctness of the report nor the authenticity of the conclusions. It was in no way constructive.

"I remember my interview, but have never been able to decide just what I told him that led him to make such a statement. However, my principal purpose, which was never accomplished, was to arrange to have General Johnson see the Chief Constructor before rendering a decision. He preferred to see the Labor people for information on which to base his decision.

"Sincerely yours,

"/s/ Henry Williams

Henry Williams"

. . . . . .

The Research and Planning Division made a report entitled "Proposed Amendment to Permit 40 hour week". (Ref. Labor Folder, Deputy's Files)

It is the author's understanding that the function of the Research and Planning Division was to really make research and plans whereby the operation of a Code would be for the greatest good for the greatest number affected by it. In this report there is little evidence of research and no thought of the economic effects of the recommendations is set forth, or even considered, on the Industry members as a whole, or the employees of the Industry as a whole, or the consumers, who are the ship-operators of the Merchant Marine and the Navy Department.

On the contrary the report was apparently based on the blind as-

sumption that the consumer can be made to pay, and the employer will be able to pay, for any uneconomic increase in cost of construction or repair of ships induced by any restriction of hours. There is no evidence in the report that this subject, so vital to the plants back of the Merchant Marine and the Navy, was given any research or study at all.

Further the figures of 55,100 employment for 1929 and of 37,700 for March 1934 were set up in the report to prove there would not be a shortage of labor. They apparently failed to learn from the Navy Department that by this time it had taken on some additional 7000 men not included in the 37,700 and might require a total of 25,000 men for the new Naval shipbuilding in Navy yards, not take any note of the graphs submitted by the shipbuilders which showed the further employment necessary to complete the Navy contracts in private yards.

October 1935 the shipbuilding and shiprepairing employment was 43,411 and in Navy yards on new construction was 24,690 making a total of 68,101 as against the 1929 employment of 55,100 (Employment index 101.3) when there was very small employment on new vessels in the Navy yards. That is there were some 13,000 men more employed October 1935 than were in the Industry in 1929 and still the report represents there would not be a shortage of labor. This heavy increase of employment for new Naval work only helped seven private shipbuilding plants, and the Federal Navy yards. (Ref. letters with attached data June 11 and December 3, 1935, from Isador Lubin, Commissioner of Labor Statistics, Labor Folder, Deputy's Files)

The report is apparently based solely on employment in the plants building the Naval contracts, whereas there were only 7 such plants in the category and the balance of 234 plants of the Industry were evidently not considered. This balance of 227 plants employed a large proportion of the 28,432 men employed in July 1933. This employment was principally on repair work as merchant shipbuilding had substantially stopped during the low period of the depression and there was very little new Naval construction on the ways of the private shipbuilders at this time. These members of the Industry, which did not have Naval contracts, were left to struggle without consideration, with the restricted hours, that were an effective barr to any new commercial contracts as business improved and drove repair work into foreign plants.

The report was based on the theory of spreading the employment in the private shipyards building Naval vessels which was about 9200 men in March 1934, whereas the increase of employment of the larger part of 28,432 employees then on commercial repair work was not given consideration. In the private yards three out of four men at this period were not on Naval work.

No adequate account was taken in the report of the general dissatisfaction of the employees at this time due to the insufficient amount in the pay envelopes. It was a time when something had to be done to remedy the situation and without delay. There already was a major shipbuilding strike at the New York Shipbuilding Plant at Camden, N. J., substantially waiting on the determination of the application for the 40 hour week for settlement. Either wages or hours had

to go up. The report acknowledges that the employees preferred the longer hours.

No account was taken of the steep climb of the average hourly wage rate already at 69.5¢ as of January 1934 as against 62.8¢ as of 1929 and was forced up to 75¢ by restricted hours. (Ref. page 499 hereof)

The report states that "the above assumes there is no special reason why the Navy should want delivery at the earliest possible moment." Whereas Assistant Secretary Henry L. Roosevelt of the Navy personally attended this conference and the report states that the Navy Department supported the request for the 40 hour application of the shipbuilders. Further, Admiral Land at the open hearing of July 19, 1933, pages 97 to 102 of the transcript and pages 26, 27 and 28 hereof, stated, amongst other things, that "in connection with the question of the 40 hour week as proposed by the Code the Navy Department is of the opinion that this is required by the Industry and that any reduction in the working hour below this will interfere unduly with the proper progress of the Navy building program as well as with the normal shiprepairing activities of the Navy yards and private shipyards." And Admiral Land further stated that "the Navy shipbuilding in my judgment is the most difficult, intricate, complicated type of shipbuilding that there is in the world, it requires more experience, more technical engineering staffs and more skill in design and construction than any other type of shipbuilding in the world."

In fact, to the author's knowledge every time the Navy spoke, it was for the earliest possible completion of the Naval vessels in private yards. The record of the progress of these vessels indicates that substantially the entire Naval building program in private yards is delayed due to the restricted hours and the shortage of skilled labor. (Ref. Records of the Navy Department, Reports Folder, Deputy's Files)

The report refers in several places to the "time and one-half" provision of the Code as the solution of the shipbuilders problem. The facts are that the weekly hour provisions of the Code are mandatory and there existed no time and one-half provision in the Code that would permit the shipbuilders to exceed the maximum weekly hours. A violation of the Code would have jeopardized their Naval contracts. Further, to the author's knowledge, every application made for an exemption from the maximum weekly hours was most difficult to get through for approval due to the adverse memoranda of certain Advisory Boards, which, apparently worked on the policy, that, the shipbuilders having been downed by imposed restricted hours, they should be kept down irrespective of the economic results.

Further the report failed to fairly cite the fact that the Federal Navy yards had been definitely established on a 40 hour per week basis by the Congress, and that the shipbuilders complained that the difference between the Navy yard work-week and the private shipbuilders' work-week acted to draw the skilled men from the private shipbuilding plants. It also failed to set forth that if the Government in prescribing for its own shipbuilding adopted the 40 hour week, as the minimum that it could economically operate on, that in all fairness the Government should so adjust the Code provision to permit the private shipbuilding

industry to operate on a like 40 hour weekly basis.

. . . . . .

The Navy Department set forth its position in regard to the 40 hour week by letter from the Acting Secretary of the Navy Henry L. Roosevelt to the Administrator of N. R. A., General Hugh S. Johnson, as follows:

"13 June 1934

"My dear General Johnson:

"Question has been raised as to the views of the Navy Department in regard to the question of maximum weekly hours of work fixed in the Code of Fair Practice in the Shipbuilding Industry for building of naval vessels. The Navy Department is deeply interested in the hours of work allowed in the shipyards, because on that is directly dependent the period of construction and the date of placing these vessels in active service with the Fleet. The public interests require that these vessels join the Fleet at the earliest date practicable. As you will remember at the time consideration was being given to this question during the formulation of the Code, the studies made in the Navy Department indicated that it would be necessary to allow hours of work up to 40 per week to permit the work to be carried along at a normal rate of progress to completion at a reasonably early date. This view was expressed at the public hearings by representatives of the Navy Department.

"Question having arisen anew on this subject, it seems proper to make a statement of the present situation as viewed by this Department.

"Following the passage on 28 March, 1934, of the Independent Offices Appropriation Act, the Navy Department in conformity with Section 23 thereof reduced the work week for its field service from 44 hours with 48 hours pay to 40 hours with new hourly wages to give the same weekly wage as before. The Navy Department is the largest employer affected by this law and the employees are largely men in the shipbuilding and ship-repairing trades.

"The so-called 'Dallinger Amendment' and the 'Vinson-Trammell' Act authorizing new construction require the assignment of at least 50% of new construction of naval ships to navy yards. Navy yards and private shipbuilding and ship-repairing yards are, therefore, competitors for the same classes of skilled labor, of which there is no great supply.

"Under the Shipbuilders Code private shipyards are restricted to a maximum work week of 36 hours. Thus the private shipbuilders are subjected to an inequality and handicap which should be removed as they are an important adjunct to the country and particularly to the National defense. This would

be remedied by granting to private shipyards the same hours per week as in the navy yards. There is unrest among the men in the private shipyards, with a serious strike in one yard only recently settled. This unrest is likely to become more serious and if not alleviated may result in a so-called 'scamping of labor' from the private yards because of the differential in hours.

"The contracts for each of the naval vessels in the new building program both under the regular appropriation and under the N. R. A. appropriation contain a provision whereby the contractor agrees 'that from the beginning he will prosecute the work with the utmost vigor and dispatch and will make every possible effort, without reference to the otherwise normal rate of progress, to accomplish the maximum amount of work within the first and second year.' Despite this provision and other considerations, the progress on the ship construction by the private builders has been much less than estimated and the number of men it has been possible to employ due to delays in the early stages of construction has not come up to expectations.

"Building combatant ships for the Navy under present conditions requires more highly skilled mechanics and technical workmen than ever before. This is brought about by the natural evolution of the art in connection with highly developed installations; it is particularly accentuated by the Treaty restrictions on displacements, placing a premium on excellence of design and particularly on weight-saving. Designing, building, and fitting out naval vessels of a combatant type therefore involve a greater degree of skill and technique and much more careful inspection than has ever obtained before.

"The foundation stone of the shipbuilding program is speed of construction; increased employment is dependent upon this. Not only do the public interest require the earliest practicable completion of the Navy shipbuilding program from an employment point of view but the public interests also require the earliest practicable completion of these vessels from a National point of view. The reasons are obvious. From a naval point of view, the completion of all vessels under construction is desired at the earliest practicable date. Progress in private plants has not been satisfactory to the Navy, and the Navy Department has been definitely advised by Secretary Ickes that the progress is not satisfactory to the Public Works Administration. A means for accelerating the naval shipbuilding is to increase the hours of labor from 36 to 40 in the private plants.

"Sincerely yours,

"/s/ H. L. Roosevelt

"Acting Secretary of the Navy"

"General Hugh S. Johnson,
Administrator for Industrial Recovery,
Department of Commerce,
Washington, D. C."

The application of the shipbuilders for the 40 hour week thus presented, as hereinbefore set forth, was neither granted or denied by General Hugh S. Johnson, Administrator. For a considerable time after the conference of May 7, the shipbuilders hoped for a favorable decision, but finally gave it up.

In the meantime the proposed amended Code being prepared by the shipbuilders was held back in order that it might contain the 40 hour provision. This situation continued throughout the Summer of 1934 and on October 29 and December 27, 1934, the author addressed the Chairman of the Shipbuilding Code Authority, Mr. H. Gerrish Smith, and called his attention to the recommendation of the National Labor Board to the effect that "the desirability of uniform hours in the shipyards and in the Navy Yards be recognized, and in the event that such equalization is not brought about within a period of six months from the date hereof, the Administrator of the Industrial Recovery Act shall review the question of weekly hours in the shipyards." (Ref. page 528 hereof)

It was desirable, that the further consideration of the 40 hour week be considered by the Administration in conjunction with other problems under the Code, such as Fair Trade Practice provisions, and the shipbuilders were urged to submit their proposed amended Code. However, they had become so disheartened and were so satisfied in their own minds that relief would not be granted to them from the restricted 36 hour provision, that they resisted every effort made to induce them to make another effort to obtain 40 hours. Reference is made to a letter dated June 15, 1934, of first importance from H. Gerrish Smith, Chairman of the Code Authority to J. B. Weaver, Deputy Administrator, which is copied in full under Chapter V - Recommendations - hereinafter. Thus the situation continued throughout the Fall of 1934 and until May 26, 1935. (See pages 249 and 250 hereof)

Economic Effect of the Hourly Provisions of the Code on the Industry

There has been heretofore set forth under the title of Wages the increase of the average wage rates from 56.4¢ as of July 1933 to 75¢ as of May 1935, and it has been shown that the average wage rate for 1929 was 62.8¢. Further it is shown that the increase of the average wage rate during the period referred to was 33% above July 1933 and 21% above 1929.

It has further been shown that the restricted hours caused serious unrest due to the small pay envelope as compared to that of the employees under the normal conditions of operation of 1929, for the employees under the impetus of the Naval building program expected and demanded an average pay envelope somewhat comparable with that of 1929. It has been shown that this dissatisfaction resulted in a major strike at the plant of the New York Shipbuilding Corporation of March 27 to May 11, 1934. That the shipbuilders applied for a 40 hour week and attended a conference of May 7, 1934, and as no such relief was granted, the New York Shipbuilding Corporation was further forced to increase its scale 13% above the original increase of 25% on the rates of July 1933. Also, that other major shipbuilding plants increased their scales a further 10% beyond the original increase of 25%, when no decision was rendered by the Administrator. The Industry as a whole followed the major shipyards as is evidenced by the increase of the average wage to 75¢ as of May 1935, for the Industry as a whole.

The economic effect of these restricted hours upon new commercial shipbuilding is substantially as follows:

Average merchant shipbuilding costs breakdown to 45% material, 45% labor and 10% other charges. (overhead) (Ref. page 19 hereof, statement of Lawrence Y. Spear July 19, 1933) It is assumed by the author that the 1929 average wage scale of 62.8¢ was a fair wage scale for the Industry, is still 5.7¢ above the average wage scale of industries as a whole May 1935, was above the 1926 shipbuilding average wage scale, and that the wage scales of 1926 were the goal to be accomplished by the National Industrial Recovery Act. (Ref. pages 497,498 and 499 hereof) Then the average wage scale of May 1935 of 75¢ was an increase of 21% over the fair base scale of 1929. Taking the labor proportion of commercial shipbuilding costs as 45%, an increase of 21% in wage rates would be an increase of 9.45% in labor costs. Then 45% plus 9.45% equals 54.45%.

It requires substantially one hour to get a shipyard into operation and one hour to close it down. Therefore, a 40 hour week may be assumed at five days of six hours each of productive work, or thirty productive hours. However, on a 36 hour week, four hours must be worked on Friday, which results in only two productive hours on that day, so that the productive hours under the 36 hour basis is 26 hours per week. Labor costs, therefore, will increase in the proportion of 30 to 26. Applying this proportion to the 54.45% labor costs it makes another increase cost of 6.3% to the labor costs.

The overhead cost item of 10% increases in inverse proportion of the productive hours of operation, that is as 30 to 26, therefore, the over-

head cost increase is 1.5%. The total of the foregoing increase cost is 9.45% plus 6.3% plus 1.5%, equals 17.35%. That is where the cost of a ship is taken at 100% on the 1929 average wage scale and 40 hours per week, the cost would be 117.35% on a ship built on the present average wage scale and 36 hours per week. However, the increase cost of overhead above shown is too low, for many factors come in, difficult to account for, in a simple calculation such as the author has set forth.

The writer was informed by one of the leading shipbuilders that increase cost of the building of a 12,500 D. W. Ton oil tanker, due to the 36 hours, according to their calculations was 17.5%. It must further be borne in mind in the case of passenger vessels of the finer type that the inability to work highly skilled men the full 40 hours is a serious drawback and delay of construction, and, therefore, further increase costs, as there is a decided shortage of such men. It may be fairly taken that the restricted hourly provision of the Code increased the cost of new commercial shipbuilding from 15% to 25% according to the type of the vessel.

Taking the example of a 12,500 D. W. Ton oil tanker, a figure of $125 per D. W. Ton may be assumed the price asked by American ship yards. Therefore, such a vessel would represent an investment of approximately $1,560,000. If the price is corrected in the ratio of 100% to 117.5%, the price would be $1,340,000 for the same ship built on a 40 hour week. The difference is $220,000 in the price of the ship. This $220,000 must be amortized over a period of 20 years, the economical life of a vessel, which would make an extra amortization charge of $11,000 per year. Interest and insurance may be taken at 10% per year, which would make another extra $11,000 charge. Therefore, this vessel must earn an additional $22,000 per year over and above what she would have had to earn if she was built on a 40 hour per week provision.

It is evident to any fair thinking man that no ship owner or corporation would be willing to place contracts under such a burden or could operate such a ship in competition with the world's market, or could even finance such a business through any conservative bankers. The facts are that no such ships were ordered during the life of the Code, which imposed the 36 hour provision. Reference is made to page 3 f hereof, and it is noted that commercial shipbuilding in the United States for 1930 and 1931 averaged approximately 250,000 gross tons per year, whereas in 1933 in the very depths of the depression the tonnage for merchant ships shrank to 31,000 tons and in 1934 instead of this business increasing in the same proportion as the other Durable Goods Industries, it actually shrank to an average of 25,000 tons. This was during a period when England built approximately 500,000 tons, Germany 100,000 tons, France 100,000 tons, Italy 45,000 tons and Japan 125,000 tons and the World total was 1,200,000 tons.

Therefore, the restrictive hour provisions of the Code were absolutely a barr to the construction of new commercial shipbuilding. It directly follows that the 15,000 to 20,000 men that may have been employed under the normal increase of this commercial shipbuilding comparable to the increase of other Durable Goods Industries were not em-

ployed and that the Code acted directly to greatly restrict employment.

Further since last Spring, when the Codes were declared invalid, there have been placed contracts for six oil tankers, which is only the beginning of a large fleet that must be built and should have been started on the turn up of the depression from 1933. To arrive at the approximate pay that will be received by the additional men employed on this work it may be assumed that these six contracts present approximately 75,000 D. W. Tons. If the contracts were placed in view of better economical weekly hours a price of $110 per ton may be assumed, and there would be a total price for the six vessels of approximately $8,250,000. Applying the 45% labor cost to this figure of $8,250,000, there will be a pay to the employees of $3,700,000, which would not have been available in all probability if the Code had continued with the restrictive hours. Further the labor applied to the material that will go into these ships will be approximately another $3,700,000.

Competent authority has stated that 350,000 to 500,000 gross tons for the American Merchant Marine must be built yearly if the replacement of the old tonnage is to be maintained, as is being maintained with the Merchant fleets of Great Britain, Japan and other Maritime Countries. Any uneconomical barrier set up under the law, such as these restrictive hour provisions, would thus be contrary to the welfare of all the people.

The effect on commercial repair work was even more serious, but it is difficult to clearly estimate. Repair work on ships for the most part must be done in the quickest possible time and the men that work on the repair work, due to the intermittent character of the work, must work some weeks up to 48 hours in order that they will get an average work week that will give them a reasonable pay envelope. The men on such work on the 36 hour basis only netted about 29 hours or lost 20%. If they were permitted to work up to 48 hours at times they might make approximately 38 hours per week.

The increase cost for shiprepairing under the 36 hour provision considerably exceeded the increase shown for new shipbuilding under the 36 hour provision. The limitation of 36 hours with the permission to work 40 hours at times, but averaged to 36, proved to be a great burden and interference with the normal operation of this business. It was so difficult to adjust this business to these restricted hours that both the cost of labor and of overhead rose to exorbitant figures beyond the control of the shiprepair industry and to the great detriment of the consumer. Jobs started could not be finished by the same crew, crews were too often changed, with the usual loss of time and effort of such changes. This interference ran into tens of thousands of cases.

Steamship owners rebelled, some tried to do their own repair work, others took the work to foreign yards, and no work was done that could be put off, all to the direct restriction of the business and employment. The experience proved conclusively that the application of the shipbuilders for a 40 hour week with a tolerance of 48 hours was absolutely necessary for the proper economical operation of the business and for the benefit of the men employed.

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Economic Effect of Restricted Weekly Hours on Naval Shipbuilding Program Contracted to Private Shipyards

The data on contracts received from the Navy Department has been summarized by the author for contracts placed beginning December 1932 and including the 1935 program, which amounts to $264,049,500 of Naval combat ships.

The following calculations set forth by the author are intended to indicate the true trend of the economic effect of restrictive weekly hours and not as calculations absolutely accurate in all detail. Only the Navy Department would have the data available for accurate evaluation of the respective ships of the same class, in order to make an accurate comparison. Even in such calculations the Navy Department would have to depend upon certain information received from the shipyard bidders. The author understands that the Navy Department has made no figures public as to the economic effect of restrictive weekly hours, if they have made such calculations.

It is known that they evaluate competitive bids with utmost care in order to determine the most advantageous bid, but this does not necessarily mean that vessels contracted in different years and on modified designs are directly comparable unless special evaluations are made for the particular purpose. However, the trend of increased price, increased hourly wage scales and increased average wage scales stand out definitely under the action of the restrictive weekly hours of the Code. Therefore, the following data set up from Navy Department information and the calculations made by the author are of value in setting forth the definite trend and a measure of the cost of such uneconomic restrictions in a Code. (Ref. Navy data and calculations in Navy Reports folder, Deputy's Files)

In order to set forth the increase or decrease of the contract prices for ships of the same class as contracted from year to year, there is listed hereafter all the contracts. It is pointed out that contracts of the Navy Department are made on the basis of either a fixed price or an adjustment price. Adjustment price contracts are in general drawn with the provision that the prices are to be adjusted for changes in the cost of labor and material. If labor and material during the building period increased in cost, the adjustment price provision would be advantageous and added a safety factor for the shipbuilder. Therefore, in all cases the adjustment price bid was below the fixed price. It will be noted in the following figures that all the later contracts were on the adjustment price basis. This may have been influenced by the Vinson Act, which provided that any net profit over 10% earned by the shipbuilder on a given contract should be paid over to the Government. All the 1935 program was on the adjustment price basis, whereas some early contracts, for instance of the 1933 program, were on a fixed price basis.

In order to make comparison the adjustment price bid made by the shipbuilders for the early contracts, has been used, which in each case is lower than the fixed price, but the adjustment price bid was

evidently not considered as advantageous to the Navy by the Navy Department. Below the list of each class the calculations are set forth for the change percent. The lists are as follows:

NAVY CONTRACTS

(a) Aircraft Carriers

Year	Plant	Class	Price	Remarks
July 1933	Newport News SB.& DD.	CV 5	$19,000,000	Adjusted Price
"	" " " "	CV 6	19,000,000	Basis
Aug. 1935	Bethlehem SB. Corp.	CV 7	20,737,000	Adjustments
			$58,737,000	

$\frac{20,737,000}{19,000,000} = 109\%$

(b) Heavy Cruisers

Year	Plant	Class	Price	Remarks
Dec. 1932	Bethlehem SB. Corp.	CA 39	$8,196,000	Fixed Price
Aug. 1933	" " "	CA 40	11,720,000	" "
			$19,916,000	

$\frac{11,720,000}{8,196,000} = 143\%$

For the 1934 Programme the low bids were $13,889,000 Fixed Price and $12,889,000 adjustments. All bids were rejected due to price and the vessel ordered built at the Philadelphia Navy Yard. If the low Fixed bid had been accepted the figures would have shown $\frac{13,889,000}{8,196,000} = 170\%$ for change of 1934 over December 1932 and $\frac{13,889,000}{11,720,000} = 139\%$ for 1934 over 1933

(c) Light Cruisers

Year	Plant	Class	Price	Remarks
Aug. 1933	New York SB. Corp.	CL 42	$11,677,000	Fixed Price
" "	" " " "	CL 43	11,677,000	Adjustment bid $11,495,000
Aug. 1934	" " " "	CL 46	11,975,000	Adjustment
" "	Newport News SB.& DD.Co.	CL 47	11,900,000	Less $250,000 for plans furnished adjustments
Oct. 1935(1)	" " " " "	CL 49	13,196,000	Adjustment

(1) All original bids submitted were rejected due to price, and invitations to bid readvertised. The Navy did its best to hold the cost down

even though the shipbuilders were held within 10% net profit by the Vincent Act.

$\frac{13,196,000}{11,495,000} = 115\%$

(d) Submarines

Year	Plant	Class	Price (5)	Remarks (6)
Aug. 1933	Elect. Boat Co.	SS 174(1)	$2,770,000	Class III-Bidders
"	" " "	SS 175	2,770,000	Mod. of Dept. Plans - 1317 Tons Adjustment bid (3) $2,521,000
Aug. 1934	" " "	SS 176	2,387,000	Adjustments -
"	" " "	SS 177	2,387,000	Class I-Dept.
"	" " "	SS 178	2,387,000	Design-Fixed price bid for 3 ships $2,867,000. Bids for 2 ships. Fx.Pr. (2) $3,100,000 Adj.2,587,000
Sept. 1935	" " "	SS 182	2,497,000	Adjustments-
"	" " "	SS 183	2,497,000	Class II - Bids for 2 ships Fx.Pr. $2,937,000
"	" " "	SS 184	2,497,000	Adj. (4) $2,717,000
			$20,192,000	

(5) Propelling Machinery not included.
(6) The 1933 bids were for two ships therefore bids for two ships for other years are used.

Adjustments (4) $\frac{2,717,000}{2,521,000} = 108\%$ "Used in further calculations"
" (3) 2,521,000

Fix Price (2) $\frac{3,100,000}{2,770,000} = 112\%$ "Not Used"
" " (1) 2,770,000

(e) 1850 Ton Destroyers

Year	Plant	Class	Price	Remarks
July 1933	New York SB. Corp.	DD 356	$3,775,000	Class IV Fixed
" "	" " " "	DD 357	3,775,000	Price-Bid for
" "	" " " "	DD 358	3,775,000	Adjustment was
" "	" " " "	DD 359	3,775,000	$3,670,000
" "	Bethlehem SB. Corp.	DD 360	3,896,000	Class II less ea.

(e) 1850 Ton Destroyers (con't)

Year	Plant	Class	Price	Remarks
July 1933	Bethlehem SB. Corp.	DD 361	$3,896,000	$112,500 due plans
" "	" " "	DD 362	3,896,000	furnished.- Bid
" "	" " "	DD 363	3,896,000	Adjustment $3,542,000
Aug. 1934	Federal SB. & DD. Co.	DD 381	4,096,000	Adjustments less
" "	" " " "	DD 382	4,096,000	$150,000 ea. for plans furnished
Sept. 1935	Bath Iron Works	DD 394	3,882,500	Adjustments
" "	" " "	DD 395	3,882,500	"
" "	" " "	DD 396	3,882,500	"
			$50,523,500	

4,096,000 = 115%
3,542,000

(f) 1500 Ton Destroyers

Year	Plant	Class	Price	Remarks
Aug. 1933	United DD., Inc.	DD 364	$3,400,000	Adjustments-
" "	" " "	DD 365	3,400,000	Include detail working plans
" "	Bath Iron Works	DD 366	3,429,000	Adjustments- Less
" "	" " "	DD 367	3,429,000	$152,500 ea. for plans obtained from another contractor
" "	Federal SB.& DD.Co.	DD 368	3,410,000	Adjustments- Less
" "	" " " "	DD 369	3,410,000	$200,000 due to plans obtained from another contractor
Oct. 1934	Bethlehem SB. Corp.	DD 380	3,784,000	Adjusted Price
" "	" " "	DD 382	3,784,000	Class II c
" "	United DD., Inc.	DD 384	3,430,000	Adjustd Price Class
" "	" " "	DD 385	3,430,000	I-Dept.Design
Nov. 1935	Federal SB. & DD. Co.	DD 397	4,000,000	Evaluated bid
" "	" " " "	DD 398	4,000,000	$3,753,500-
" "	" " " "	DD 399	4,000,000	Adjustments

(f) 1500 Ton Destroyers (con't)

Year	Plant	Class	Price	Remarks
Sept. 1935	Bethlehem SB. Corp.	DD 400	$3,675,000	Adjustments
" "	" " "	DD 401	3,675,000	"
	(Union Plant)			

4,000,000 = 118%
3,400,000

(g) Summary of Contracts - December 1932 to 1935 Inclusive

Class	Dec. 1932	July 1933	Aug. 1934 & 1935
Aircraft Carriers		$38,000,000	$20,737,000
Heavy Cruisers	$8,196,000	11,730,000	
Light Cruisers		23,354,000	37,071,000
Submarines		5,540,000	14,652,000
1850 Ton Destroyers		30,684,000	19,839,500
1500 " "		20,478,000	33,778,000
	$8,196,000	$129,776,000	$126,077,500

	Dec. 1932 to 1935 Incl.
Aircraft Carriers	$58,737,000
Heavy Cruisers	19,916,000
Light "	60,425,000
Submarines	20,192,000
1850 Ton Destroyers	50,523,500
1500 " "	54,256,000
	$264,049,500

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The summary of change percentages and the average increase percent is as follows:

Summary of Change Percentages

Class	Percentages		Remarks
Aircraft Carriers	109%	Change	1933 to 1935
Heavy Cruisers	143%	"	1932 to 1933
Light Cruisers	115%	"	1933 to 1935
Submarines	108%	"	1933 to 1935
1850 Ton Destroyers	115%	"	" " 1934
1500 " "	118%	"	" " 1935
	708%		

708% ÷ 6 = 118%

If the Heavy Cruisers' and Submarines' percentages are omitted as questionable, the calculation becomes 457% ÷ 4 = 114.2%
Then (114.2% + 118%) ÷ 2 = 116.1%

An Average increase of 16% is taken for change from 1933 to 1935 inclusive.

As the increase in price may be affected by both the cost of labor and material, therefore, material must be segregated. The following wholesale price indexes for "metal and metal products" is taken from the "Survey of Current Business", Department of Commerce, Bureau of Foreign and Domestic Commerce, which is based on data from the Bureau of Labor Statistics. These indexes are as follows:

(i) Wholesale Price Indexes for Material

Metal and Metal Products

Dec. 1932	Nov. 1933	Nov. 1934	Nov. 1935
79.4	82.7	86.2	86.9

Change from Dec. 1932 to Nov. 1933 is $\frac{82.7}{79.4} = 104\%$

Change from Nov.1933 to Nov. 1935 is $\frac{86.9}{82.7} = 105\%$

The month of November following the bids for 1933 - 1934 - 1935 is assumed as the time when the average of orders for material would be placed for contracts of the respective years.

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In the following calculations 15% has been deducted from the percent of wage rate advances for the reason that wage scales of the private shipbuilders were reduced 15% below the 1929 rates. According to the report of the sub-committee to the National Labor Board (Ref. page 522). However, average wage rate for the Industry only reduced (Ref. page 499 hereof) for 1935 - $\frac{56.4¢}{\text{" 1929 - } 62.8¢} = 89.5\% = 10.5\%$ decrease,

but the sub-committee no doubt set forth the actual reductions made by major shipyards with which we are here concerned. The 1929 rates have been used as a standard in this chapter as that of a fair wage rate and somewhat above the 1926 rate.

In the comparison of the contract prices the figures on the heavy cruisers are the most outstanding in the differences. It, however, should be borne in mind that the original bid was made and the contract let in December 1932, on a falling market as to both labor and material and after the 15% reduction from the 1929 wage rates was put into effect. Further it was a new design and it is possible that on the final development of the plans, the ships' cost proved to be greater than was estimated originally. Therefore, the increase shown hereinafter for this class appears too high to charge solely to the effect of restricted hours.

Increase percentage costs due to Restrictive hours

(j) Dec. 1932 to 1933 change

(ref. (b)) = 143% = increase of	43%
Less material increase (ref. (i))	4%
	39%
Less previous reductions in wage scales below 1929 rates	15%
Net increase due to restrictive hours and other unknown conditions.....	24%

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The increase of costs, which were influenced by the increase of 25% in wage scales (Ref. Report sub-committee to the National Labor Board, page 518 heroof), due to the change from the proposed Code provision of 40 hours to the approved Code provision of 32 hours for Naval shipbuilding and included in the contract figures for the 1933 program, are calculated as follows:

(k) Increase percentage on 1933 contracts (average)

Increase in wage scales August 1933	25%
Less previous reductions in wage scale below 1929 rates	15%
	10%
Increase in overhead	
40 hrs. / 32 " X 10% = 12.5% = increase	2.5%
Net increase due to restricted hours	12.5%

The increase of costs for the 1934 and 1935 programs over and above the cost of similar vessels contracted for the 1933 program are calculated as follows:

(l) Increase percentage on 1934 and 1935 contracts over 1933 contracts

Increase (ref. (h))	16%
Less increase for material (ref. (i))	5%
Net increase due to restrictive hours , (includes increase of overhead).....	11%

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(m) Total increase Dec. 1932 to 1935, inclusive

Increase Dec. 1932 to 1933 (ref. (k))	12.5%
" 1933 to 1935 (ref. (l))	11.0%
Net increase due to restrictive hours (includes increase of overhead).....	23.5%

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(n) Increase cost of Naval contracts for 1933 - 1934 and 1935 due to uneconomical restrictive hours.

Contracts for 1933 (ref. (g)) $129,776,000 X 12.5% (ref. (k)) =	$16,222,000
Contracts for 1934 and 1935 (ref. (g)) $126,077,500 X 23.5% (ref. (l)) =	29,528,000
Increase due to restrictive hours of Code	$45,750,000

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The calculation of 23.5% (Ref. (m)) for the increase cost of Naval vessels of 1934 and 1935 program compares reasonably with the calculation for increase cost of 17.25% for commercial vessels of a plain type, such as an oil tanker, or the range of 15% to 25% for commercial vessels from the plain to the finer types. (Ref. page 549)

Moreover, the calculations set forth by Mr. Lawrence Y. Spear, President of the Electric Boat Company, July 19, 1933, for the 30 hour week, if interpolated for the Code week, show that the shipbuilders plainly set forth what has actually happened under the uneconomic Code hours. Further the Spear calculations clearly indicated in 1933 the uneconomic phase of restricted hours below 40 hours per week on this Industry.

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Future Effect of Uneconomic Restricted Hours

In looking forward it is evident, the shipbuilders have been left with a very serious problem on their hands, and this includes the employees, because the two interests are so closely allied one cannot benefit or lose without the other at the same time.

From the Naval shipbuilding point of view, reference is made to the Walsh Contract Bill before Congress in the last Session, which is expected to be up again this year. The provision of this Bill would require the shipyards bidding for the Naval vessels to adhere to the restrictive weekly hours of the Code, effective May 26, 1935. If this comes about the Navy Department may expect to pay in the future approximately 23.5% more for its vessels than it would have had to pay if there had been no Code.

Referring to Commercial shipbuilding, the maintenance of the Merchant Fleet for foreign trade and the building of this fleet, is a continuing problem owing to the difference in cost of construction of ships under the wage and living conditions of foreign countries as compared to the conditions in this country. It is proposed by some, by means of subsidy, to compensate for the difference in cost of construction as between American and foreign yards. Therefore, the condition exists whereby a Code administered by one Department of the Government has acted to substantially increase the American cost of construction, which increase is to be compensated by subsidy, that another Department of the Government is to pay, because of the arbitrary imposition of restrictive weekly hours.

It will not be easy to rectify the situation in regard to Naval vessels or Commercial vessels and bring the Industry back to its position of 1929. If the yards can go on a reasonable weekly hourly basis, such as the Automobile Industry enjoyed, 40 hours per week with 48 hours for peak conditions, it will remove part of this increase cost. It will not, however, cure the condition of an average hourly rate, which was forced by restrictive hours, 21% above the 1929 average rate. (Ref. page 499 hereof)

Referring to page 549 hereof, the increase effect of the average wage rate is set forth as 9.45%, the increase due to 26 instead of 30 hours effective operation as 6.3%, the increase of 1.5% for overhead, and the total of 17.25% for plain commercial vessels. By calculation, the 9.45% is 54% of the total increase of 17.25%. If this 54% is applied to the Navy shipbuilding increase of 23.5% it will give 12.7% of increase costs that will still remain on Navy vessel construction even if the restrictive hours are removed. There will also remain the 9.45% on Commercial shipbuilding of the plain type.

It certainly will be a management problem and one in which the employees must join to adjust the situation. There is hope in the size of the pay envelope, which was only $25 average October 1935, whereas it was more than $30 per week in 1929. (Ref. page 497 hereof) If the average wage rate and the hours worked can be adjusted again, so that the average employee receives $30 per week, he certainly would be better off, and it would save the Navy Department the 23.5% and eliminate the extra ordinary cost of the 15% to 25% on Commercial shipbuilding and probably the 25% to 40% on Commercial ship repair.

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Thus the economic effect of application of Code hours is set forth. There is no doubt, there is an economic low limit of weekly working hours for each and every Industry. Industries immediately divide into those that are suitable for multiple shifts and those that are not. Shipbuilding is not. Industries that are suitable may have a lower economic limit than shipbuilding. It is regretable that the Research and Planning Division made no adequate study of this paramount question, when the shipbuilders applied for relief at the conference of May 7,1934, hereinbefore set forth, (Ref. page 536) for the restrictive hours did no one good, but every one harm concerned with the Industry. The Administrator apparently relied on the Research and Planning Division in this matter.

Interpretations, Exemptions and Stays requested by the shipbuilders are set forth on pages 277 to 334 inclusive hereof. They consisted of an interpretation of Section 3 (c) of the Code, a group of miscellaneous exemptions requested because of the shortage of certain classes of labor, extensions of Section 3 (c) of the Code pertaining to designers and loftsmen, stay of Section 3 (a) and (b) pertaining to emergency work, stay of Section 3 (a) and (b) pertaining to trials, and exemptions pertaining to the San Francisco Bay Area from Section 4 (b) of the Code, as amended, all as listed on page 290 hereof.

The Code did not provide any elasticity in the maximum weekly hour provisions, such as permission to work beyond such weekly hours if time and one-half was paid, although certain Advisory Boards and Divisions referred to the payment of time and one-half by shipbuilders as a solution of their restrictive hour problem, just as though the Code would permit them to exceed the weekly hours without stays and exemptions, which were most difficult to get through according to the experience of the author.

The extension of Section 3 (c) from time to time was necessary to permit designers and loftsmen to exceed the maximum weekly hours in order to hasten the progress on the designing of the Naval program, which was being performed by the private shipbuilders, and not by the Navy Department. The Navy yards building such Naval vessels worked from the designs made by the private shipbuilders, so that the extension of this section was necessary not only for the increase of employment in the private shipyards having Naval contracts, but also for employment in Federal Navy yards building part of this program.

Emergency work was not provided for in the Code, whereas such work is always necessary in the repair of ships, consequently stays had to be granted from time to time.

Dock trials and sea trials, particularly for new vessels, are performed under difficult conditions with respect to crews, which must be particularly trained for this work. Ships must go to sea and stay at sea for such trials and it is quite impossible to control the hours of these special crews beyond what is required by the National Marine Laws.

The exemption pertaining to the San Francisco Bay Area of Section 4 (b) of the Code, as amended, was to rectify a very unjust operation of the Code, which acted to crush the small industries.

2. Unusual Provisions such as Tolerances

The only provision in the Code providing a tolerance is that of Section 3 (b) as amended, which provides that employees in shiprepairing shall not be permitted to work more than 36 hours per week, averaged over a period of six months, nor more than 40 hours per week. In other words the 40 hour provision is the tolerance over and above the 36 hours. This tolerance was quite inadequate and while it partially relieved the restrictive 36 hours it was far short of a tolerance that the shipbuilders really needed. They should have had at least 48 hours for shiprepairing, which the Automobile Industry had for its unusual peak conditions. Reference is made to pages 551 and 552 hereof, which set forth the operation of the shiprepairing part of the industry under the Code.

3. Industry's Compliance with the Code

The Compliance Division's report of the Labor complaints filed from the effective date of the Code to May 25, 1935, is as follows:

Date of earliest complaint	November 18, 1933
Total docketed	145
Investigated complaints Adjusted	74
No violation found	42
Bookkeeping rejections	12
Compliance Division, or Regional Office	11
On hand, May 25, 1935	6

The Compliance Division at this writing does not have the breakdown of these Labor complaints for the full period. However, their record from July 24, 1934, to May 1, 1935, has been made available to the author and he has calculated from this report the following proportions, which may be taken as a general guide of complaints filed:

Art. III - Hours	36.3%
Art. III (a) Failure to pay overtime earned	18.4%
Art. IV Failure to pay minimum wages	39.3%
Art. IV (b) Wage differential	6.0%
	100.0%

Reference is made to detail schedules of complaints handled by the Industrial Relations Committee set forth on pages 436 to 440 hereof. (Ref. Compliance Folder, Deputy's Files)

4. Maladjustment with other Codes

The Chairman of the Code Authority at the meeting of March 2, 1934, reported as follows:

"The Chairman reported that a hardship was being worked on certain members of the Industry due to the difference of hours and wages provided in other Codes in manufacturing materials which are also built in shipbuilding and shiprepairing yards when bids are asked from firms operating under different Codes."

Reference is made to Exhibit V-5, the same being the setting forth of the conflict as between the Government and the Shipbuilding Industry by H. Gerrish Smith, Chairman of the Code Authority, dated March 7, 1934, and submitted to Group 4 Code Authority Organization called by General Hugh S. Johnson, the Administrator, from March 5, 1934, to March 8, 1934 inclusive. Reference is also made to the general account of the meetings called by General Johnson March 5 to March 8 contained in the letter dated March 9 from H. Gerrish Smith, Chairman of the Code Authority to the Industry Members of the Code Committee, Exhibit V-6 hereof.

5. The Posting of Labor Provisions

The Code Authority distributed 2,057 to 611 establishments. (Ref. letter from C. C. Knerr, Secretary of the Code Authority to G. A. Lynch, Administrative Officer, Sept. 22, 1934, in Labor folder, Deputy's Files) No complaints were files for failure to post.

6. Display of Insignia

Insignia were distributed with the Labor Provisions. There is no record of the extent of their use.

D. OTHER LABOR PROVISIONS

1. Reduction of Child Labor

Reference is made to the letter of June 15, 1934, from H. Gerrish Smith, Chairman of the Code Authority, to J. B. Weaver, Deputy Administrator. (Ref. Exh. U Hereof, and Code Authority General Folder, Deputy's Files) The following is an excerpt:

> "No child labor or sweat shop conditions existed, precluding any gain in this direction."

2. Extent of Home Work Activities

No home work existed in the Industry.

3. Handicapped Workers

There was no provision in the Code for handicapped workers, however, it has been the custom of the Industry over a period of years to look out for men injured and unable to continue their previous occupation, such men were used on casual and incidental labor, watchmen service, etc.

4. Apprentice and Learners

The Code provisions were generally adherred to. The major plants have for many years conducted adequate schools for the training of young employees, the small plants while not conducting schools for this purpose, have for years taught young employees and given them a fair weekly wage.

5. Operation of other Labor Provisions

Operation of all labor provisions of the Code have been set forth.

6. Strike at the Plant of the New York Shipbuilding Corporation, Camden, New Jersey

The attention of the Administration was called to the unrestful condition of labor on October 16, 1933, by letter from Mr. C. L. Bardo, President of the New York Shipbuilding Corporation, to General Hugh S. Johnson, Administrator, and the Hon. Robert F. Wagner, Chairman, National Labor Board. (Ref. Pages 512, 513 and 514 hereof) There was attached to this letter an "Analysis and Effect of the National Industrial Recovery Act as Applied and Interpreted in the Shipbuilders' Code". (Ref. Labor Folder, Deputy's Files) The letter protested against the unreasonable restriction of the hours against the shipbuilders and requested 40 hours per week.

It has heretofore been set forth under the tile of Wages that the average pay envelope for 1929 was $50.55 (Ref. page 497), whereas the average pay envelope for 1933 dropped to $33.90.

Under the influence of restrictive hours and in spite of the increase of approximately 25% in the wage rates the low pay envelope continued, during the period the National Labor Board was examining into the matter as recounted from pages 521 to 530 hereof.

The situation dragged out from month to month, but on March 27, 1934, a group of men at the plant struck for higher wages. The plant was closed down in order to prevent possible damage to the Naval vessels building and because the progress of the work was badly interferred with. Efforts of conciliation were made, but the strike dragged on.

On April 24, 1934, the Shipbuilding Code Authority requested the Industrial Relations Committee to use its efforts to settle the strike. (Ref. Minutes of the Meeting, Deputy's Files) However, the Industrial Relations Committee had not been properly set up with regard to its Rules and Regulations at this time and was not in a position to take effective action.

On or about May 1, 1934, J. B. Weaver, Deputy Administrator, and Captain Henry Williams, (CC) United States Navy, went to the plant of the corporation at Camden, New Jersey, and made every effort to settle the strike by mutual agreement as between the men and the shipyard. The men at this time had been organized into an industrial union entitled "Industrial Union of Marine and Shipbuilding Workers of America". However, no settlement was agreed upon as the question of the 40 hour week was before the Administration.

The conference of May 7, as heretofore set forth, before General Johnson on the 40 hour week was expected to solve the problem by giving the men increased pay due to reasonable working hours. Under the 36 hour week the men were making approximately 31 hours per week on new construction and under repair work were making approximately 29 hours per week.

Evidently the shipbuilding company gave up hope of obtaining the 40 hour week for on May 11, 1934, it signed a contract with a representative of the Union whereby the average pay was increased approximately 13%. A copy of this contract is in the folder labeled New York Shipbuilding Corporation Strike, Deputy's Files. There is also in the same folder a copy of the constitution and the by-laws of the Industrial Union of Marine and Shipbuilding Workers of America, dated October 5, 1934, as received by Mr. C. L. Bardo.

The increased wage rate somewhat increased the pay envelope, but it was still considerably below the average earnings that the men made in 1929 due to the continued 36 hour provision. The contract also provided for certain restrictions in regard to employment, and that it should continue in force for a period of one year, and thereafter in full force and effect from year to year, unless either party gave the other thirty days notice in writing of its intentions to terminate the agreement.

On April 8, 1935, a Negotiating Committee of the Union, Thomas Gallagher, Chairman, conferred with R. S. Campbell, General Manager of the New York Shipbuilding Corporation, in regard to a new contract. The trans-

cript of this conference and all other papers referred to under this title will be found in the New York Shipbuilding Corporation Strike folder, Deputy's Files. The Union representative submitted a memorandum consisting of fifteen demands proposed to be incorporated in a new and modified contract beginning May 11, 1935. The demands were explained by the Union representative.

Under date of April 9, 1935, the shipbuilding company addressed the Negotiating Committee and set forth its position in regard to the proposed new contract. April 11, 1935, the Union addressed the shipbuilding company and gave formal notice of the termination of the current contract on its expiration date, May 11, 1935.

On April 19, 1935, the author was advised by the representative of the Navy Department, Captain Henry Williams (CC) United States Navy, that there was liable to be a serious labor dispute at the New York Shipbuilding Corporation plant at Camden. The author discussed the matter with Mr. Arthur O. Wharton, Chairman of the Industrial Relations Committee, who agreed to send Mr. J. W. Hart, a member of the Industrial Relations Committee, and Mr. John Lane, Special Assistant and Investigator of the Committee, to the Camden plant to make an investigation and report back to the Industrial Relations Committee. On that same date the author addressed A. J. Doyle, Executive Secretary of the Industrial Relations Committee by letter and made the request that Messrs. Hart and Lane be sent to Camden the first thing the following morning, April 20, and that this Committee be ready to report back to the Industrial Relations Committee meeting called for the following Tuesday, April 23. This letter was written upon the request of Mr. Arthur O. Wharton, Chairman of the Committee.

Further, the author early on the morning of April 20 wired the New York Shipbuilding Corporation and the Negotiating Committee for the Union that Messrs. Hart and Lane would call on them to receive first hand information in regard to the situation and requested their respective cooperation. Mr. H. Gerrish Smith, Chairman of the Shipbuilding and Shiprepairing Industry Committee, also was advised of this move by telegram on the same morning, April 20.

The New York Shipbuilding Corporation had under contract at this time two of the 600 foot light cruisers designed by them, known as vessels CL-40 and CL-46, and four 1850 ton destroyers known as DD356, DD357, DD358 and DD359 and designed by them. Four of the same class of vessels were under contract of the Bethlehem Shipbuilding Company from the designs of the New York Shipbuilding Corporation.

The Sub-Committee of the Industrial Relations Committee made a verbal report of the situation at the Camden yard at the meeting of the Industrial Relations Committee April 23, 1935. This verbal report was confirmed by memorandum dated April 24, 1935, copy of which is in the Deputy's files. Amongst other things the report set forth that the total employment was 4569 of whom 4337 were classified as productive and 4011 were employed on an hourly rate and that the payroll of the company was approximately $125,000 per week; that the employers were of the opinion that approximately 75% were affiliated with the Union, and there was

attached a copy of the letter from the Union notifying the company of its intention to terminate the current contract. The report further stated as follows: (The numbered paragraphs are taken from the demands made by the Union)

"Mr. Campbell, General Manager of the Company, stated that he conferred with the Negotiating Committee of the Union, and discussed the modifications mentioned in the foregoing letter. They are, briefly, as follows:

'1. As long as there are Union members available who are qualified to do the work required, no non-Union men shall be hired. In the event that there are no such Union men available, non-Union men may be hired, but they shall be required to join the Union within two (2) weeks after the date of their employment.

'2. Elimination of piece work, bonus and contract systems. All men to be paid by the hour with the exception of salaried employees.

'3 Rates. All jobs to be classified as skilled, semi-skilled or unskilled, and with the exceptions noted below, to be paid for at the standard rate for the class in which it is assigned. All jobs which are now paid for at 55¢ or less, shall be classed as unskilled; all jobs which are now paid for at between 55½¢ and 67¢ shall be classed as semi-skilled; all jobs which are paid for at between 67½ and 83¢ shall be classed as skilled. The standard rates for unskilled, semi-skilled and skilled jobs shall be 63¢, 77 and 95¢ respectively.

'Exceptions: All men who are now paid more than 83¢ per hour, also all salaried men shall receive an increase of 15%.'

"Mr. Campbell informed the sub-committee that it was impossible for the New York Shipbuilding Company to agree to such demands, and refused to entertain the thought of incorporating these requests in a new agreement.

"Mr. Kaltwasser stated that the Company could not acquiesce to these demands, to do so would force the Company, through economic necessity, to close its plant.

"He stated that the Company operated at a loss in 1934, and, for the first three months of 1935, showed a loss of approximately $126,000. He estimated that if these demands were agreed to, the loss to the Company would amount to over $1,000,000 and on the contracts still to be complete over a three-year period the loss would be over $3,000,000.

"Mr. Kaltwasser informed the subcommittee that the rates of pay of the New York Shipbuilding Company are higher, on an average, than at Newport News Shipbuilding Company, and Fore River Ship Company of Quincy, Massachusetts. He quoted statistics, emanating from the United States Department of Labor, which indicate that in 90 of the largest industries the average hourly earnings are less than in the Shipbuilding Industry. In January, 1935, the average hourly rate in these industries was 75 cents per hour, while in the Shipbuilding Industry the average was 82.3 cents.

"The sub-committee was advised that a meeting of the Industrial Union was held on Saturday, April 20th. The attendance was reported as between 1,500 and 1,900 members. The subcommittee was told that the members extended a vote of confidence to the Negotiating Board in their demands on the Company.

"We had a conference with the Negotiating Board of the Union. We feel that there is a divided opinion amongst the members of the Board as to whether a strike is advisable at this time, but a serious situation may develop if the members of the Union feel that there is a possibility of enforcing their demands.

In the discussion at the meeting it appeared that paragraph one of the Union's demands was the main stumbling block at all efforts of negotiation. It was apparent to the writer that if the New York Shipbuilding Corporation agreed to such provisions that it would certainly be liable to be charged with violation of the code. The author discussed this with Captain Henry Williams (CC) United States Navy, and members of the Committee. He later took the matter up with his Deputy, W. W. Rose, and Colonel Rose and he went to see the Division Administrator, Barton W. Murray. The Division Administrator expressed the opinion that it was purely a matter of explanation and that the author could so handle the matter.

Consequently early in the morning of April 24, 1935, the author addressed a letter to the New York Shipbuilding Corporation and in this letter, after setting forth paragraph one of the Union's demands, closed the letter with the following paragraph:

"This is to advise that if you should carry out the provisions of the above paragraph (1.), you would be liable to the charge of violation of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry and Section 7 (a) of the National Industrial Recovery Act, and, therefore, place your Navy contracts in jeopardy."

At the same time a letter was written to the Negotiating Committee of the Union in which the final paragraph of the letter to the New York Shipbuilding Corporation was quoted. Both letters were delivered to Control by the author after having been submitted to Colonel W. W. Rose, Deputy. Mr. Donavan of Control duly passed both letters and mailed them registered, special delivery.

The sub-committee of the Industrial Relations Committee returned to Camden on April 24 and used their best efforts to arrive at a settlement of the situation, all of which is told in a second report, April 27, 1934, of this sub-committee, which had been joined by Mr. W. A. Calvin, representative of Labor on the Industrial Relations Committee.

Under date of April 25, 1935, Thomas Gallagher, Chairman of the Negotiating Committee, addressed the author by letter and set up arguments to the effect that the explanation made in the author's letter to the New York Shipbuilding Corporation of April 24 should not have been made. Copies of the Gallagher letter were sent to the National Labor Relations Board and to the Executive Secretary of National Recovery Administration, and others. The author drafted a reply to the letter to the Union in which he pointed out that at least 1000 men in the employ of the New York Shipbuilding Corporation were not members of the subject Union, but were members of the American Federation of Labor, or not members of any Union and that if the shipyard discharged men because they did not join the subject Union they most assuredly would place themselves liable to a charge of violation of the Code.

However, representatives of the Union came to Washington and exerted their utmost pressure in the matter. On April 30 Mr. Barton W. Murray, Division Administrator, advised the author that the matter would be before the National Industrial Recovery Board the following morning and instructed the author to supply him with a memorandum covering the subject. This was done by memorandum to the Division Administrator from the author, dated April 30, to which all pertinent papers were attached. Additional copies were supplied to Mr. Murray for the information of the members of the Board.

The subject duly came up the following morning, May 1, 1935, before the National Industrial Recovery Board. It is verbally understood by the author that Mr. Murray had no opportunity of submitting the author's memorandum of April 30, or the attached pertinent papers. The discussion ended, so the author understands, by a resolution or understanding that the letter of the author of April 24 to the New York Shipbuilding Corporation be disavowed. In accordance a letter was written to the New York Shipbuilding Corporation for the National Industrial Recovery Board and copied as a release, No. 11159. The disvoval was contained in the closing paragraphs as follows:

> "The above statement made by Mr. Whittelsey was unwarranted and is hereby disavowed. If occasion should arise for a governmental interpretation of such an issue as is referred to in Mr. Whittelsey's statement, this interpretation would presumably be made by the appropriate labor relations board or committee -- this under existing orders of the President.
>
> "It will be appreciated if you give this present letter the same publicity that was given Mr. Whittelsey's statement."

To all thoroughly conversant with the situation this last letter was tantamount to a ticket for a bad strike. However, the strike did not effect the employees of the drafting department. Further the letter of April 24, written by the author, was brought to the attention of Mr. Francis Biddle, Chairman of the National Labor Relations Board, who issued

a press release dated May 2, 1935. On the same date Mr. J. F. Metten, President of the New York Shipbuilding Corporation issued an open letter to the employees; also on the same date Colonel W. W. Rose, Deputy Administrator, addressed the Division Administrator, Barton W. Murray, as follows:

> "With reference to the above named release, copy of which is attached hereto, it should be noted that the letter from Mr. H. N. Whittelesy quoted therein was written with the full knowledge and approbation of the undersigned as Deputy of the Section. The disavowal is therefore equally applicable to him any blame attached thereto is hereby assumed."

Under date of May 3 Mr. Barton W. Murray, Division Administrator, by memorandum instructed the author to make a further report on the matter. In accordance therewith under date of May 6 the author addressed a memorandum to Barton W. Murray, Division Administrator, making such report, This report chronologically set forth the happenings leading up to the writing of the subject letter of April 24 to the New York Shipbuilding Corporation by the author and also set forth other pertinent facts in connection with the New York Shipbuilding Corporation dispute. This memorandum is with the other papers referred to herein in the folder marked. New York Shipbuilding Corporation Strike, Deputy's Files.

Further attempts were made by the sub-committee of the Industrial Relations Committee, which are set forth in their report dated May 6, 1935. Said report set forth, amongst other things, that the sub-committee had been advised; that a strike vote would be taken at a mass meeting to be held Saturday, May 4, and also advised by the shipbuilding company that if the vote was in favor of a strike that the plant would be closed, that the mass meeting was held on May 4 and that the discussion lasted three and one-half hours, that a secret ballot was taken and when complete the votes were taken by the employees' committee to some undisclosed destination, and the employees' committee announced that the results of the ballot would not be made public, but would be used for future negotiation, and that on Sunday, May 5, the employees' committee announced through the press that the tabulation disclosed an overwhelming majority in favor of the strike.

May 9, 1935, a conference was held between the company and the Negotiating Committee for the Union. It was suggested by the company that the questions be submitted to the Industrial Relations Committee for the Shipbuilding and Shiprepairing Industry, but the Negotiating Committee for the Union refused to accept this plan. Under the same date Executive Vice-President of the Shipbuilding company, Mr. C. M. Kaltwasser, formally referred the dispute to the Industrial Relations Committee by letter. Under the same date Mr. J. F. Metten, President of the New York Shipbuilding Corporation, addressed the employees an open letter to which was attached a form of contract made in a manner that could be signed by the individual men.

On May 10 the press carried an article to the effect that the shipyard workers were ordered to strike at mid-night May 11, which was Saturday. (From the date of April 25 until August inclusive the principal press articles were clipped and will be found in the New York Shipbuilding Corporation Strike folder, Deputy's files) The author was informed that the strike was effective the following Monday morning, May 13, and was enforced by a heavy picketed line.

The May edition of the "Shipyard Workers Voice" was issued at this time, which according to the publication was issued by the shipyard unit of the Communist Party members, who worked in the shipyard. It carried the injunction to join the Communist Party, vote for the candidates that support our strike, vote straight Communist and other matter of the same nature. A copy of this is in the files referred to.

Under date of May 14 the Chairman of the Negotiating Committee addressed the New York Shipbuilding Corporation in regard to further negotiations, which was duly replied to by the New York Shipbuilding Corporation under date of May 17 by letter signed by C. M. Kaltwasser, Executive Vice-President. The author was informed that nothing much came of this plan.

May 15 the President was requested to intervene in the strike by representatives of the Union. According to newspaper publication they also called on the Secretary of Labor.

The shipyard paid off the men for the previous week about May 14 and had a ballot printed on the back of the checks. The Union men were instructed not to vote these ballots. However, the bank report of May 23 received by the writer through the Secretary of the Industrial Relations Committee was to the effect that 100 men voted "no", 300 to 400 "no vote", and 3200 voted "yes" for returning to work.

On May 19, according to newspaper advices, the Union offices intended to extend the strike to other shipyards building Naval vessels, which would affect the Bath Iron Works at Bath, Maine, Bethlehem Shipbuilding Corporation at Quincy, Massachusetts, Electric Boat Company at New London, Connecticut, and the Newport News Shipbuilding and Dry Dock Company at Newport News, Virginia, and possibly others. Strike ballots were taken at some of the plants, but nothing serious came of the matter.

Under date of May 23 the Mayor of Camden, New Jersey, Hon. Federick Von Neida, addressed the New York Shipbuilding Corporation and under date of May 25 Mr. J. F. Metten, President, replied. The picket lines continued and were effective. It was reported to the author June 7, 1935, that a representative of the Union took the matter up with Senator Nye.

Reference is made to the clipping of the Congressional Record, dated September 10, 1935, which recounts some of the history of this matter from May 9 on. The remarks were made by the Hon. Charles A. Wolverton in the House of Representatives, Friday, August 23, 1935, which began with an account of a letter dated May 9, 1935, which he addressed to Hon. H. L. Roosevelt, Assistant Secretary of the Navy, introducing members of the Union. The Congressman also gave a letter addressed to the Hon. Carl Vinson, dated June 6, 1935, Chairman of the Committee of Naval Affairs, House of Representatives, and another letter to Hon. William Connery, Jr., Chairman of the Committee on Labor, House of Representatives, dated June 6, 1935.

Hearings were subsequently ordered by the Labor Committee of the House and a special committee was appointed to conduct the hearings.

The hearing was for the purpose of ascertaining whether any direct or indirect power or authority existed under the terms of the shipbuilding contracts that would enable the Secretary of the Navy to intervene in the strike. The analysis when completed was submitted June 25, 1935, to James Mullin, President of the Local No. I of the Camden Union and other officers of the Union; also a copy was submitted to the Mayor of Camden. There is no mention of a copy sent to the shipbuilding company.

The Hon. Charles A. Wolverton under date of July 26 addressed another letter to the Sub-Committee of the House Committee on Labor investigating the New York Shipbuilding Corporation strike situation.

The strike continued to drag on. July 5, July 9, and July 12 the New York Shipbuilding Corporation published full page articles in an effort to disseminate information in regard to the strike and on July 15 an article was published setting forth that the Camden County Committee of the Department of New Jersey, American Legion, would conduct a fair vote of the yard. This was attempted but could not be brought to a fair conclusion due to interference.

On July 19 the shipbuilding company issued a notice quoting the Mayor of Camden as follows: "since it seems impossible to get any place on the old agreement, or on any of the new ones suggested, I recommend that they be scrapped -- all of them. Let the men return to work and within ten days ballot to select the men who are to represent them in collective bargaining." "Then let these representatives of the employees confer with the officials of the plant and reach a new agreement." "It is simply a recommendation on my part and it is my final one."

The company in this notice of July 19 accepted the plan and stated that the plant would be open at 7:40 daylight saving time Tuesday morning, July 23, and that at the end of the third day of employment the company would advance to the employees, who desired it, a certain percentage of their anticipated earnings for the purpose of meeting emergencies. Again on July 23 printed notice was issued of the proposed opening of the plant.

It was reported to the author on July 23 by a member of the Industrial Relations Committee that the plant was duly opened according to plan on the morning of July 23, that the Mayor of Camden was present and a picket line of 2000 persons, mostly unknown and not employees of the yard, that about 200 of the old employees went through the gates, in addition to the 250 that had been regularly going through for maintenance work. The Mayor of Camden tried to talk to the picket line, but they would not hear him. The first day there was no violence reported. However, by the third day, July 25, a number of the men were injured by the stone barrage according to the newspaper report and many women appeared in the picket line, principally from Philadelphia. In fact the line was made up, according to reports, of those out of employment in Philadelphia.

The press reported July 26 that Mr. J. F. Metten, President of the New York Shipbuilding Corporation, was before the Sub-Committee of the Labor Committee of the House and testified. The heavy picket line continued and all further efforts of putting the plant into operation

were given up. August 4, according to press reports, the Assistant Secretary of the Navy, H. L. Roosevelt, was before the Sub-Committee of the House, Labor Committee, and testified, and it was reported in the press August 8 that the Navy had given the shipyard twenty-four hours to end the strike, to which they replied.

The strike was now running into the fourth month and the Navy proposed an arbitration basis, which was refused by the Union according to the press reports of August 13. The controversy continued very acrimoniously, and it was reported in the press August 14 that Members of the House Sub-Committee accused the Navy and Labor Departments of surrender to the New York Shipbuilding Corporation. August 15 the Sub-Committee of the House requested the President to act and on August 21, according to press reports the President was taking an active part in the matter.

August 22, according to the Congressional Record, page 15286, the President issued an Executive Order to make effective arbitration to settle the strike. This Order set up "The Camden Board of Arbitration", composed of Rear Admiral Henry A. Wiley, United States Navy, retired, chairman, Robert Bruere, of New York City, and Colonel Frank P. Douglass, of Oklahoma City. Section 2 of the Order reads as follows:

> "Sec. 2. The Board shall proceed immediately to investigate, hear evidence, and make findings of fact with a view to formulating, within 60 days, arbitration awards with respect to the following issues in controversy:
>
> "(1) The matter of piece work or of incentive work;
> "(2) The matter of adjustment of wages;
> "(3) Matters relating to employment and working conditions which have been in dispute in connection with the renewal of the agreement between the parties of May 11, 1934; and
> "(4) Miscellaneous questions which have been the source of dispute in connection with the recent stoppage of work at the Camden, N. J., yard of the New York Shipbuilding Corporation.
>
> "Provided, That the Board, notwithstanding generality of the foregoing language, shall not entertain any request by Local No. 1 of the Industrial Union of Marine and Shipbuilding Workers of America for a preferential or closed shop, but in lieu thereof shall include in its award a provision that the New York Shipbuilding Corporation will not fill any vacant or new positions with other persons so long as employees who have been employed since August 1, 1933, are available, are competent, and willing to accept the same positions."

Section 3 of the Order provided that the shipbuilding company and the Union accept by August 27 the plan of arbitration. Both parties after considerable controversy did accept the plan within the time limit set.

It is here pointed out that the Executive Order under the foregoing Section 2 set forth that the Board shall not entertain any request by the Union for a preferential or closed shop. The preferential shop was the subject of Paragraph I of the Union's fifteen original demands. (See Exh. T, Appx.) It was the clause, the author believed, if followed by the shipyard would make them liable to be charged in violation of the Code, and it was the clause referred to in the letter of the author of April 24, 1935, to the shipbuilding company.

Reference is made to the arbitration award of the Camden Board of Arbitration, dated October 12, 1935. The award recounts the following:

That the Board was organized August 24 and the shipbuilding company and the Union filed separate written agreements to abide by the award and further that the shipbuilding company agreed to employ all men on the payroll May 11, 1935, who made application, and the Union filed also with the Board an agreement to terminate the strike immediately. On August 27 the shipbuilding company and the Union joined in a further agreement setting forth fourteen questions to be determined by the Board. (The press reported August 28 that the fifteen weeks of the Camden shipyard strike had terminated and the men went back to work, and that the picket line had been withdrawn)

The report of the Arbitration Board further sets forth that numerous conferences and formal hearings of the issue were held, and assisting the Board were Messrs. Telfain Knight, Counsel, and William A. Mitchell, Technical Adviser, and that the hearings were completed October 11, 1935.

The Arbitration Board, amongst other things, provided the following:

That the award shall continue in effect during the building period of the seven Naval vessels contracted with the Navy Department.

That retroactive to August 29 piece work be increased 5% and that hourly rates be increased 5%, and that the employee on piece work shall be paid in any event his hourly earnings.

That the classification of employees should be as set forth. (This classification is the same as was in effect by the New York Shipbuilding Corporation)

That the regular working week should be 36 hours, unless changed by the mutual consent of the parties and that any overtime work beyond 8 hours daily or 36 hours weekly be compensated at time and one-half, and that powerhouse men, watchmen were exempted from the overtime provision.

That there should be no wage differential paid on night shifts, or for dangerous, or lay-out work.

That complaints or disputes in the first instance should be taken up with the foreman of the Department concerned and if not satisfied, with the Industrial Relations Manager of the corporation and if adjustment is not satisfactory, the complaint or dispute may be submitted to

an Adjustment Board.

That an Adjustment Board of two members and an impartial Chairman shall be set up within one week, one representative to represent the Union, one representative to represent the corporation, and that the Secretary of Labor be requested to designate the impartial Chairman, also that one-half the expenses of the impartial Chairman shall be borne by the company and the other half by the Union.

A plan was set forth for the guidance of the Adjustment Board, (Admiral Wiley was appointed the impartial Chairman) and the Arbitration Board is now functioning in the plant of the New York Shipbuilding Corporation.

The Plan contained the following:

"The Adjustment Board in making decisions in respect to individual or collective complaints, disputes, or grievances, shall be governed by limitations and provisions of the Executive Order No. 7154, incorporated by reference herein; and further shall be mindful of the rights of the stockholders and of the duties imposed by law upon the directors of the New York Shipbuilding Corporation. The Adjustment Board shall also be mindful both of the rights of organized labor and of the rights of individual employees as established by laws." "The Corporation shall not discriminate in any way against any of its employees because of membership or non-membership or of any activity on behalf of any union, or labor organization, or association of workmen or employees; nor shall the Corporation discriminate against any employees because of race, creed, or color; ***********."

.....

Thus the Camden Arbitration Board provides that the Corporation shall not discriminate between Union and Non-Union men and, therefore, shall not require any employee to join a union as a condition of employment. Under paragraph I of the Union's demands the shipyard would have been required to have insisted that all men join the subject union within a period of two weeks, which was the particular clause of the demands made the subject of the author's letter to the New York Shipbuilding Corporation of April 24, 1935.

If clause No. I had remained out of the way, it is well within the realms of possibility, that the shipyard and the Union would have arrived by negotiation at substantially the same results as were finally determined by the Camden Board of Arbitration. In fact, there probably would not have been a strike, but if a strike did occur it would have been of short duration. This strike cost the employees approximately $1,875,000 in pay, or approximately an average of $40.00 per man. It may have cost the shipyard more than $500,000 in fixed and maintenance charges. It cost the Navy more than the fifteen weeks delay on necessary Naval vessels, and without redress. All this waste may have been avoided.

.....

E. Administrative Provisions

1. Investigation of Records

The Code contained no model Code provisions for the investigation of records or other provisions of like character.

However, the Rules and Regulations, adopted October 2, 1933, by the Code Authority, provided for certain investigation of records and certain other subjects set forth hereinafter in this chapter. As hereinbefore set forth on page 396 hereof, these Rules and Regulations were not submitted by the Deputy to the Administration for necessary modification to make them unforceable and approvable.

While the Code Authority was advised May 18, 1934, by the author, that only those provisions of the Rules and Regulations within the provisions of the Code had force and effect, (Ref. page and 412 hereof) these Rules and Regulations are referred to here because they indicated the desires of the Industry, in view of the lack of adequate provisions in the Code, and they were the actual provisions governing the Industry for a period of ten months after their adoption by the Code Authority.

The record is quite incomplete, for under the Rules and Regulations the complaints were handled principally by the Shipbuilding Committee for Shipbuilding complaints, and by the Local Shiprepairing Committee for Shiprepairing complaints. The author was informed that no regular reports were made from these Committees to the Code Authority, except in such complaints that the Committees could not adjust. These Committees ceased functioning on such complaints shortly after the author joined NRA.

The Rules and Regulations provided in Section II-2: (Ref. page 397 and Exh. M. Appx.)

> "It shall be the duty of the Shipbuilding Committee to obtain from employers and deliver to the Code Committee such reports in respect to wages, hours of labor, conditions of employment, number of employees and other matters pertaining thereto as may be necessary, or as may be required by the Code Committee to keep the Code Committee informed as to the operation and observance of the Code by the Shipbuilding Industry."

The Code Committee collected information in regard to wages, hours of labor and other pertinent records from time to time and the information was forwarded to the Administration and distributed to the Industry. No attempt was made to duplicate the work of the Bureau of Labor Statistics, which regularly obtained from the Shipbuilding Industry reports as to the hours worked, the number of employees and the payrolls. The information that was collected was usually for specific purposes, for instance the number of employees on Naval

shipbuilding contracts, certain scales of wages, etc.

The Secretary of the Shipbuilding Committee also made reports to the Code Authority concerning assent to the Code and filing of billing rates beginning October 21, 1933, and ending April 4, 1935, in total number of 27 reports. (Ref. Reports Folder, Deputy's Files)

Further reports were received by the Code Authority from members of the Industry that exceeded the maximum hour provisions of the Code on Emergency work. Reference is made to page 91 hereof, excerpts of Minutes of the Code Authority meeting of November 8, 1933. The Code Authority in this matter recognized the necessity of proper control. Therefore, it provided that duly certified reports on approved forms be immediately made to the Code Authority on all Emergency work. The forms were duly printed and the reports were received regularly, having been made out promptly as such Emergency work was undertaken. These reports averaged approximately fifty per month. There is in the Reports Folder, Deputy's Files, reports for the month of December 1934, complete except that six of these reports have been withdrawn to be inserted in the Appendix of this History. Reference is made to Exhibit I-2A.

2. Collection of Statistics

Collection of statistics was not delegated to a confidential agency. Statistics from time to time over a period of years had been collected by the Secretary of the National Council of American Shipbuilders, Mr. C. C. Knerr, Secretary and Treasurer. Mr. Knerr was made Secretary of the Shipbuilding Committee. He was also Secretary and Treasurer of the Code Authority and bonded as Treasurer. He had no affiliation with any members of the Industry. The Code made no special provision in regard to this matter.

3. Liquidated Damages

No Code or Rules and Regulations provision.

4. Other

The Code as amended provided as follows:

"Sec. 8 '(a) To effectuate further the policies of the Act, a Shipbuilding and Shiprepairing Industry Committee is hereby designated to cooperate with the Administrator as a Planning and Fair Practice agency for the Shipbuilding and Shiprepairing Industry.**** Such agency may from time to time present to the Administrator recommendations based on conditions in their industry as they may develop from time to time which will tend to effectuate the operation of the provisions of this Code and the policy of the National Industrial Recovery Act.' "

"(b) Such agency is also set up to cooperate with the administrator in making investigations as to the functioning and the observance of any provisions of this code, at its own instance or on complaint by any person affected, and to report the same to the administrator."

"(d) Such of the provisions of this code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated as changes in the circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions of this code or additional codes will be submitted for the approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions thereof."

The Shipbuilding and Shiprepairing Industry Committee (Code Authority) in carrying out its duties under these provisions of the Code had two major problems, one that of Restricted Hours and the other Trade Practices. It duly reported to the Administrator the effect of these restricted hours as has hereinbefore been set forth under the title "Hours" and asked for relief. It also developed under the guidance of the Deputy Administrator the Rules and Regulations hereinbefore set forth, beginning page 395 hereof.

F. Price and Accounting Provisions

The provisions in the Code are as follows:

"To accomplish the purpose contemplated by this Act, the members signatory to this code agree that the following practices are hereby declared to be unfair methods of competition:

"(a) To sell any product (s) or service(s) below the reasonable cost of such product(s) or service(s).

"(1) For this purpose, cost is defined as the cost of direct labor plus the cost of materials plus an adequate amount of overhead, including an amount for the use of any plant facilities employed as determined by cost accounting methods recognized in the industry (and approved by the committee constituted for the enforcement of this code as provided in Section 8 (a).

"(b) To give or accept rebates, refunds, allowances, unearned discounts, or special services directly or indirectly in connection with any work, performed or to receipt bills for insurance work until payment is made."

Certain sections of the Rules and Regulations were designed for the purpose of administering the above provisions of the Code, that is, to set forth methods suitable to the Industry.

Over a period of years there had been very severe competition in shipbuilding and even more severe in shiprepair work. The possibility of enforcing Fair Competition Methods in regard to bidding, was the impelling motive of the Industry to make application for the Code. The shipbuilders submitted under the title of By-Laws, at the time the Code was submitted, their conception of such unfair methods of competition, but these provisions were not made part of the Code at the time of approval. However, they were finally worked out as the Rules and Regulations as recounted hereinbefore, beginning on page 396 hereof, but were not submitted for the approval of the Administration as is also hereinbefore recounted.

The shipbuilders thought for some eight months that all provisions of the Rules and Regulations had force and effect and the reports on the filing of prices clearly indicates an effort on their part to abide by the provisions.

It should be pointed out in this connection, that a considerable number of the interpretations adopted November 15, 1933, and January 4, 1934, by the Code Authority (Ref. beginning page 254 hereof) was for the purpose of clarifying certain indefinite points not previously clear in the Rules and Regulations.

1. Price Filing

The Code contained no provision for price filing. However, the Rules and Regulations, Section VIII, paragraph 2, provided as follows:

"For the purpose of administering the provisions of Paragraph 7 of the Code, and subject to the provisions recited in the foregoing paragraph, the following rules and regulations are adopted and published for the elimination of unfair competitive practices.

"(a) Each member of the industry engaged in shiprepairing shall promptly file with the Secretary of the Code Committee a schedule showing, for shiprepairing operations:

"1. Minimum labor billing rates;

"2. Minimum billing rates for the use of facilities and of machine and power tools;

"3. Minimum billing rates for the use of dry docks and marine railways;

and shall certify that such rates, charges and prices are not below the reasonable costs of such products or services including an adequate amount of overhead."

The Secretary of the Shipbuilding Committee reported to the Code Authority a final total of price filings as counted by the author as follows:

Labor Billings	Tool Billings	Drydock Billings
454	411	235

The final list of members of the Industry was 234. The excess filing on the first two items was due to withdrawals and new prices filed. The record is not definite enough to accurately check back, but it serves its purpose by clearly indicating compliance by the Industry as a whole.

Reference is made to the case of the Brewer Dry Dock Company charged with filing prices below cost, as set forth in Minutes of Meeting of the Code Authority October 25, 1933, page hereof and Meeting of October 30, 1933, page 87 hereof. Also J. Larson charged with the same. (Ref. Meeting January 4, 1934, page 98 hereof)

Reference is made to Minutes of Meeting of the Code Authority, November 8, 1933, page 91 hereof, pertaining to "Delinquency in Filing Schedules", which indicates the Code Authority was insistent that schedules be filed.

The effect on the Industry was beneficial.

a. Waiting Periods

The Code contained no provision, however, the Rules and Regulations provided as follows:

"Each such schedule shall state the date upon which it shall become effective, which date shall not be less than thirty (30) days after the date of filing such schedule with the Secretary; provided, however, that the first schedule filed by any member of the Industry as above provided shall take effect on the date of filing

thereof, and no rate, price or charge shown in any such schedule filed by any member of the industry shall be changed except by the filing of a new schedule as herein provided."

The Industry adherred to these provisions until it understood such provisions of the Rules and Regulations were without force and effect.

2. Emergency Price Basis

No Code or Rules and Regulations provisions.

3. Accounting Systems or Cost Systems

The Code as set forth hereinbefore in Section 7 (a) (1) provided for cost accounting systems recognized in the Industry and approved by the Code Authority.

The principal Shipbuilding and Shiprepairing members of the Industry had for a long period of time, to the author's knowledge, adequate cost accounting systems. This was necessary, because the business of the Industry is obtained for the most part on firm bids, which are made up for each individual new ship or repair job contract, unless the repair is of minor nature. There is nothing in the record to indicate that the Code Authority attempted to standardize on any one particular cost accounting system, as all members of the Industry of practical necessity followed the Code provisions, and all systems were substantially comparable.

4. Administrative Price Policy

The Administrative Price Policy was not followed, but it was the intention to incorporate it in the proposed amended Code, the account of which begins on page hereof, and it is there shown that the Code Authority resolved to rewrite the Code on March 2, 1934.

5. Classification of Consumer

No Code or Rules and Regulations provision.

6. Price Differential

No Code or Rules and Regulations provision.

a. Stop-Loss Provisions

No Code or Rules and Regulations provision.

7. Terms of Payment

No Code or Rules and Regulations provision. Reference is made to the subject of unearned discounts in Minutes of Meeting of Code Authority October 30, 1933, page hereof.

8. Cooperatives

No Code or Rules and Regulations provision.

G. Trade Practices

The Code provided under Section 7, title "Unfair Methods of Competition," that unfair methods of competition were to sell below cost and to give or accept rebates, etc., as set forth under sub-section F hereof.

While these are the only Code provisions, the Rules and Regulations under Section VIII went into considerable specific details on the following subjects:

The filing of billing rates for labor, material and use dry-dock facilities; the effective date of such filing; the manner in which the charges for material from stock or purchased for the purpose of the particular job shall be made up; that prices or terms should not be more favorable to a purchaser than the filed prices; that bids for repair work shall not be submitted below certain specified sums and other such details regarding repair bids;

Further, that a certain formula of items for making up the repair bids be followed; that certain specified discounts may be made on bids of $50,000 and up; that bids shall be submitted at the specified time and place of the opening, and immediately thereafter a copy be filed with the District Committee; that all labor, material and use of facilities be charged for; that no member of the Industry shall give or accept rebates, refunds, etc.;

Further that bids shall not be revised because of changes desired by a shipowner until he has awarded the contract; and that on all contract work performed by outside contractors there shall be charged a fee of 10%. Certain other provisions are made with regard to the Great Lakes to apply in lieu of certain of the foregoing provisions.

Further under Section IX "Specifications" there is set forth, that indefinite, ambiguous and unfair general clauses may leave room for certain evasions of Section 7 of the Code and that such specifications shall be brought to the attention of the Code Committee.

Reference is made to the Rules and Regulations, Exhibit M, Appendix, and beginning on page hereof.

The Compliance Division Record is as follows:

Date of earliest complaint	May 26, 1934
Total docketed	6
Investigated complaints adjusted	3
(1) No violations found	3

(1) These complaints, according to the author's information,

were on the Rules and Regulations, for at this time they were known to be without force and effect in all provisions that were without the provisions of the Code. (Ref. page 410 hereof)

1. Class A Trade Practices

The only Class A Trade Practices provided in the Code was that of Section 7 (a), "to sell any product(s) or service(s) below the reasonable cost of such product(s) or service(s)".

The following came to the attention of the Code Authority:

Lightship #86 - General Ship and Engine Works charged with submitting bid below cost. (Ref. Minutes of Meetings of the Code Authority of October 30, 1933, and March 15, 1934, Deputy's Files)

2. Class B Trade Practices

The only Class B Trade Practice provided in the Code was that contained in Section 7 (b).

"(b) To give or accept rebates, refunds, allowances, unearned discounts, or special services directly or indirectly in connection with any work performed or to receipt bills for insurance work until payment is made."

There is no record of any complaints filed against any member of the Industry charging a violation of this provision.

The Rules and Regulations contained the following:

"(b) Except as hereinafter provided no member of the industry shall make any sale of any product or service at a price or on terms and conditions more favorable to the purchaser than the price, terms, or conditions established by such member in his schedule or schedules in effect at the time of such sale."

There is no record of violation of this provision during the period when the Industry understood that the Rules and Regulations had force and effect.

The Rules and Regulations also contained a provision, Section VIII, 2 (c), which placed a low limit on repair bids that may be submitted.

Reference is made to Minutes of Meeting of the Code Authority January 4, 1934, page 98 hereof, which is as follows:

"Rules and Regulations, Section VIII, Paragraph 2 (c)

"On bids for repairs to Barge Socony 219 'Jakobson & Peterson' and 'McWilliams' companies submitted firm bids on job amounting to less than $2500. and on Tug Socony 18, 'United Dry Docks Inc.','Union Engineering Company', and 'Atlantic Basin Iron Works' submitted firm bid on job under $2500 and on S/S Antietam the Sun Shipbuilding & Dry Dock Company submitted a firm bid on job amounting to less than $7500. These firms were cited to the Code Committee as violating the above section of the Rules and Regulations. In several instances the repairer has acknowledged violation and has stated that same have been committed in error.

"The Code Committee ruled that as this is the first instance of such violation in each case that no further action would be taken by the committee upon these specific violations but that a repetition of a violation under this section would subject the repairer to liability of a penalty and that these particular yards should be so informed."

H. Other Provisions

No other Code provisions.

I. Hedge Clause

No Code or Rules and Regulations provisions.

CHAPTER V

RECOMMENDATIONS

A. (1) Undesirable or Unenforceable Provisions

It is recommended by the author that the Code and the amendments be rewritten in their entirety. The Code was the second one approved and at the early date of July 26, 1933, and was not of form and substance in many parts to conform to administration policy that was developed within six months thereafter. Amongst the undesirable features of the Code as amended are the following:

Article I, Definitions - This article as amended included under the Shipbuilding Industry small steel vessels which properly belong under the Boatbuilding Code, also the definitions are most incomplete.

Article II, General Regulations (Labor) - Incomplete as to the reclassification clause, safety and health clause, and the posting of labor provisions clause.

Article III, Regulations of Hours of work as amended - Restriction of the Industry to 36 hours per week. It was clearly set forth in the hearings by Homer L. Ferguson, President of the Newport News Shipbuilding and Dry Dock Company and Lawrence Y. Spear, President of the Electric Boat, the effects of restricted hours below 40 hours per week. (Ref. pages 14, 15, 16, 17, 18, 19, and 20 of this history) Further, Rear Admiral E. S. Land, Chief of the Bureau of Construction and Repair, United States Navy, fully set forth the position of the Navy Department and recommend a 40 hour week. (Ref. pages 26, 27 and 28 of this history) The result of these restricted 36 hours per week has been to increase unduly the overhead bearing on commercial work, with the result that new commercial contracts have been substantially barred and the increase of employment hoped for under the Code has been defeated, except for the increase that was due to the new Naval building program. This Code history is replete with the experience and difficulty of the Industry working under these restricted hour provisions. Just why 90% of Industries were given 40 hours or better and this Industry was restricted to 36 hours is not understood.

Article IV, Minimum Wage Rates - The minimum wage of 45¢ for the north is too high as compared to other competitive Industries for the same character of labor. The author investigated the record of Research and Planning Division on 523 Codes and found that 189 Codes enjoyed 35¢ or below and 483 Codes enjoyed 40¢ and below and there were 301 Codes out of 523 below the Shipbuilders and also the Boatbuilders. (Ref. memorandum to W. W. Rose, Deputy, dated May 25, 1935, from the author, Deputy's Files) The casual and incidental labor clause should be eliminated. The clause providing for 40 hours pay for 36 hours of work should be qualified to exempt those yards on the Pacific Coast which held the 1926 to 1929 wage scales without deductions. This clause acted to promote monopoly and to oppress small enterprises. (Ref. San Francisco Bay case, Deputy's Files, Portland Area cases, Compliance Division Files)

Article V, Prohibition of Child Labor - This clause should be re-written and put under general labor regulations as it is incomplete.

Article VI, Arbitration of Existing Contracts - This should now be eliminated.

Article VII, Unfair Methods of Competition - This clause was quite incomplete and impossible of enforcement as drawn in this Industry. The Rules and Regulations approved October 2, 1933, were intended to make this article effective, but as has been shown under Chapter III C. Rules and Regulations in this history, they were not submitted to the Administration by the Deputy, and consequently the entire Fair Trade Practice provisions failed.

Article VIII, Administration - The set up of the Code Authority, as this provision was amended, was satisfactory insofar as a central or national Code Committee could be. However, there was a distinct lack of proper Code administration in the regions of the country. At least five division Code Authorities should be located on the North and South Atlantic, Gulf, Pacific and Great Lakes. Here again the Rules and Regulations tried to supply the organization necessary, but the Regional Committees established under these Rules and Regulations lacked the usual authority conveyed by Code provisions.

(2) Desirable Code Provisions

A "Revised Code" should contain the following:

Article I - Purpose.

Article II - Definitions - Eliminate all pleasure boats and yachts of wood and metal and also all metal or composite vessels less than 125 feet registered length. (Take on where Boatbuilders leave off) Define the terms "vessel", "employee", "employer", "members of the Industry", "Act", "Administration", "emergency work" (as defined in Administrative Order 2-29, reference K-29 Appendix), "apprentice", "learner", and "calendar Day",

Article III - Participation-Provide suitable provisions with regard to Boatbuilding and Boatrepairing Code; preferably based on employment under the respective Codes.

Article IV - General Labor Provisions - Provide provisions for 7 (a), child labor, reclassification of employees, safety and health and posting of labor provisions.

Article V - Hours of Work - Provide for an average of 40 hours per week with permission to work up to 48 hours, but to be averaged within 3 months not to exceed 40 hours, and a maximum of 8 hours work in any one calendar day, except as otherwise provided.

Provide that no employee that has been permitted to work more than 40 hours in any one week shall be discharged or laid off before his employment period shall average not to exceed 40 hours per week.

Provide that employees should be permitted a rest period of not less than 8 hours between the termination of the last hour worked in any calendar day and the beginning of the first hour worked in the succeeding calendar day.

Provide that any time worked by any employee in excess of the weekly or daily maximum hours or during the rest period shall be paid for at the rate of one and one-half times the hourly rate, but that overtime shall not be compounded.

Provide exceptions to the foregoing as follows: to persons employed in managerial or executive capacity; to those employed as watchmen, firemen, engineers and oilers in power plants of the shipyards, which may be permitted to work 56 hours in any one week and not more than six days in seven; to employees when they are employed on emergency work, to employees that are employed in testing installations and trial trips; to employees on designing, engineering and mold loftsmen on new contracts.

Article VI, Minimum Wages - Provide for 40¢ per hour in the North and 35¢ per hour in the South, set forth the line of demarcation between the North and South.

Provide for apprentices and learners at not less than 80% of the minimum wages and not more than 10% of the total employees.

Provide for clerical, office employees and watchman the minimum rate of $14 per week.

Provide for physical and mentally handicapped and a clause setting forth that minimum rates shall apply irrespective of whether an employee is actually on a salary, time rate, piece-work, or other basis. (Ref. complete set of labor provisions as outlined in the Voluntary Agreement Folder, Deputy's files)

Article VII - Trade Practices and Unfair Methods of Competition - Provide Trade Practice Rules, open price provisions, and cost and price cutting provisions in accordance with latest policy.

Article VIII - Administration - Provide for a National Code Authority and at least five (5) Division Code Authorities, elections and powers of the respective Code Authorities, mandatory contributions, eliminating the liability of Code Authority members, and expenses of administering the respective Code Authorities.

Article IX - Industrial Relations Committee - Make provisions in accordance with Administrative Orders 2-21, 2-22 and 2-23.

Article X - Provides for Trade Practice Complaints Committee and Plan.

Article XI - Modifications - Provide suitable provisions in accord- - ance with latest policy.

Article XII - Monopolies - Provide suitable provisions in accordance with latest policy.

Article XIII - Effective Date - Provide suitable provisions.

B. Compliance with Code

It is recommended Code hours be such that the Industry can comply with them in the production of its product and not be restricted to the extent that costs are abnormally increased, and work delayed, thereby preventing new Commercial shipbuildin' and 'riving shiprepairin' to foreign yards. Reference is made to the schedule of complaints on pages 436, 437 and 438, and record of Commercial Shipbuilding of page 3 f hereof.

C. Limitations on Production, Machinery, Shifts, etc.

No such limitations were provided in the Code and none are recommended.

D. Possible Code Consolidations

No code consolidations are recommended.

E. Relations of the Government with Industry

It is recommended that the Government does not substantially impose uneconomic restrictive hours of 3[illegible] hours per week on an Industry as is shown on pages 58, 59 and 60 hereof, especially when 90% of the durable goods industries were allowed reasonable hours of 40 per week or better.

It is further recommended that when an Industry under the guidance of a Deputy of the Government adopts Fair Trade Practice Provisions, that, that Deputy immediately submit such provisions to the Government for approval and modification as necessary to give them legal effect and thereby enable enforcement. (Ref. page 433 hereof)

It is further recommended that when an Industry appeals from a provision that has proven restrictive in actual practice over a period of six months or more and when this is substantiated by the opinion of an independent department of the Government, such as the Navy Department, that the subject be given sufficient depth of study to the end that the problem of the Industry may be properly understood and decision rendered on the facts instead of no decision rendered at all. (Ref. Account of hearing May 7, 193-, before General Hugh S. Johnson, Administrator, under Chapter IV, Hours, hereof, and reports of the Research and Planning Division on the "40 hour week" made subsequent to the hearing just mentioned and filed in the Labor folder, Deputy's Files)

It is further recommended that when the Government asks an Industry the question "What constructive gains have been accomplished so far through the operation of the Code", and when the Industry has been polled and when the result of this poll is contained in a letter to a

Deputy of the Government and when this Deputy has turned it over to his superiors, that something be done to correct the conditions plainly set forth in the letter. The letter is as follows:

"June 15, 1934

"Mr. J. B. Weaver, Deputy Administrator
Industrial Recovery Administration
Investment Building
Washington, D. C.

"Dear Mr. Weaver:

Replying to your letter of May 12, 1934 asking what constructive gains have been accomplished so far through the operation of the Code of Fair Competition and Trade Practice for the Shipbuilding and Shiprepairing Industry, and with further reference to our letter of May 16, 1934 you are informed that the Industry has been canvassed to obtain a consensus of opinion upon the subject.

"Contracts placed under appropriations authorized by the Public Works Section of the National Industry Recovery Act have given work to several shipyards.

"Summarized, the comments submitted below pertain to the operation of the Code itself.

"Hours and Employment

1. The reduction in hours has not increased employment as a whole in the Industry and has retarded production.

   Increases in employment on repair work and for work in progress when the Code went into effect were later offset by a slowing down in production because of shorter hours on new naval contracts placed in August 1933; by a decrease in volume of work due to inability to secure new commercial contracts and by the loss of a considerable amount of business for foreign account.

2. Present hours are out of line with other industries and with Navy Yards employing similar labor.

3. A shortage of skilled labor has been felt and is continually growing. Navy Yards on 40 hours are drawing skilled labor away from private yards on 36 hours.

"Earnings of Employees

1. Wages per hour have been increased - 30% on Shipbuilding, and 20% to 25% on Shiprepairing.

2. Reduced hours per week have prevented increased earnings in proportion to increased living costs and have actually decreased earnings on repair work.

   Due to the intermittent character of repair work employees have not been able to average the number of weekly hours permitted in the code.

3. Minimum wage has had little effect, as minimum wages were already comparatively high and the percent of common labor in the industry is very small.

"Fair Competition and Trade Practices

1. Cut throat competition and ruinous prices have not been eliminated as compliance is unenforceable.

2. There has been no price stabilization to offset increased labor costs.

"Labor Conditions

1. No child labor or sweat shop conditions existed, precluding any gain in this direction.

"General

1. High Costs due to wage increases have practically eliminated merchant shipbuilding (commercial vessels), thereby reducing employment.

2. Shorter hours and limited earnings have caused labor unrest in the Industry resulting in three major strikes.

3. Government is operating Navy Yards on a 40-hour week, thereby itself in effect, violating the Code Hours which it has imposed on the Shipbuilding and Shiprepairing Industry.

"From the above, it is apparent that no constructive gains have resulted from the operation of the Code. It has had on the contrary an adverse and retarding effect upon the Industry which is of very serious consequence to its members.

"Very truly yours,

"/s/ H. Gerrish Smith

H. Gerrish Smith
Chairman"

An Industry under such Government treatment may become so disheartened and so disgusted that it will not even do those things which

would be beneficial for it to do, as has been the case since the summer of 193[illegible].

It is proper to point out that this Industry builds the first line of National defense, the Navy, and the principal support of the foreign commerce, the Merchant Marine, which forms the necessary support to the Navy. It built the ships that sank the German submarines and the $3,000,000,000 worth of commercial vessels that carried the food to the Allies. It is a matter of National concern that this Industry be kept in a healthy condition, for no amount of money spent by the Government for Navy ships in Navy Yards can take the place of what this Industry did in the World War.

It is the sole reservoir of brains and skill to build ships, that the Government may call upon in time of need, and is maintained without cost to the Government. Even the Government, in building that part of the present Navy programme being now constructed in Government Navy yards had to draw heavily on the skilled mechanics trained by the private shipbuilders, but it provided for itself 40 hours per week, whereas it imposed 36 hours per week in the Industry.

The identical men, the buiding brains, to the knowledge of the author, that built every Destroyer that sank the German submarines and trained the personnel that built the Emergency Fleet Corporation merchant ships called on and appealed to the responsible officer of the Government for relief from restricted working hours, but no decision was rendered. However, at the same time the automobile Industry, built up behind a high tariff wall and selling to the greatest potential market ever conceived by man, was granted 40 - 28 hours.

Today this Industry is being shackled to 36 hours by certain provisions in the Walsh Government contracts bill before Congress. The memory of America is sometimes very short and in some things its ignorance is astounding.

B. ADMINISTRATION MEMBER'S REPORT

NATIONAL RECOVERY ADMINISTRATION

WASHINGTON, D. C.

45 Broadway
New York City

June 25, 1935

Mr. H. Newton Whittelsey
Assistant Deputy Administrator
Equipment Division, NRA
1320 G Street, N. W.
Washington, D. C.

Subject: Code History for the Shipbuilding and Shiprepairing Industry

Dear Mr. Whittelsey:

I am in receipt of your letter of the 24th instant referring to the above subject and would refer you to my letter of the 12th instant which accounts for my not reporting further on this subject to date.

As the correspondence since my appointment as Administration Member of this Code Authority was carried on by the Code Authority with your office, and as all business transactions at the Code Authority meetings were conducted by your good self, I can only report as an observer and recite my personal observations which are as follows:

I. General information - Complete records on file in Washington.

II. History of Code formulation - Complete records on file in Washington.

III. A. - Code Administration - As a clearing house for distributing information to the Industry of correspondence and instructions from Washington, the Code Authority seemed very efficient, but there was a complete lack of sympathy with the spirit of the Act and the resentment of the several members against what they termed "government interference" was evident at almost every point. There was a lack of cooperation, particularly as applied to the labor provisions of the Code.

The constant criticism of the actions of the several boards in Washington in thoroughly known to you. It is unnecessary for me to refer to specific instances as they are a matter of record in your files.

B. - Organization - All records on file in Washington.

6. Discussion of operation of the Code Authority as an industry governing body- The apparent lack of desire to govern seemed evident.

D. Administration of Code - Amendments, etc. - Full documentary records on file in Washington.

V. Recommendations - Full record of recommendations by the Deputy Administrator and the Assistant Deputy Administrator for Code revision and the necessity thereof on file in Washington.

Under the circumstances I feel that a further detailed report by me on this particular code would be unnecessary as the records of this Industry during the period of Code Administration and the files in Washington are a complete history of this Industry.

Very truly yours,

/s/ Francis E. Lee

Francis E. Lee
Administration Member

FEL:DM

VI. Personnel

1. Division Administrator

	Dates Connected with Code
K. M. Simpson	October 1933 to June 1934
C. E. Adams	June 1934 to August 1, 1934
Barton W. Murray	August 1, 1934 to May 26, 1935

2. Deputies

A. D. Whiteside	July 1933 to August 1933
William H. Davis	August 1933 to February 1934
J. B. Beaver	February 1934 to August 1, 1934
W. W. Rose	August 1, 1934 to May 26, 1935

3. Assistant Deputies

George H. Shields	October 1933 to April 1934
H. Newton Whittelsey	April 24, 1934 to May 26, 1935

4. Aides

C. E. Edgecomb	February 1934 to August 1, 1934
Beverly Coleman	August 1, 1934 to January 1, 1935
Don Hunter	January 1, 1935 to May 26, 1935

5. Legal Advisers

Howard Ralph)	November 1933 to March 29, 1934
Julian Johnson)	to March 29, 1934
Patrick Conway)	March 29, 1934 to October 10, 1934
Howard Ralph)	
Keith Carlin	October 10, 1934 to January 9, 1935
Thomas N. Vaughan	January 9, 1935 to April 13, 1935
Stanley H. Fuld	April 13, 1935 to May 26, 1935
Angus R. Shannon	October 1, 1934 to May 26, 1935

6. Labor Advisors

H. K. Brunck	July 1933 to October 1934
R. M. Gates	October 1934 to December 1934
H. L. Brunson	December 1934 to May 26, 1935

7. Consumer Adviser

W. H. Edmonds	March 1934 to September 1934
McClellan Butt	September 1934 to May 26, 1935

8. Research and Planning Adviser

W. H. Cross	June 1934 to January 1935
F. P. Evans, Jr.	January 1935 to May 26, 1935

9. Industrial Adviser

C. L. Fries	December 20, 1933 to August 15, 1934
C. S. Burlingham	September 4,1934 to September 10,1934
Luther Becker	September 10, 1934 to May 26, 1935

10. Administration Member

William H. Davis	September 9, 1933 to February 16,1934
Arba B. Marvin	February 16, 1934 to October 27,1934
Francis E. Lee	November 27, 1934 to May 26, 1935

11. Advisers to Code Authority

Consumers Advisory Capacity	
Robert L. Hague	September 9, 1933 to May 26, 1935
Labor Advisory Capacity	
Joseph S. McDonagh	September 9, 1933 to May 26, 1935
Representative of the Secretary of the Navy	
Captain Henry L. Williams U. S. N.	September 9, 1933 to May 26, 1935 (CO)

AUTHOR'S CERTIFICATION

This is to certify, that this History of the Code of Fair Competition for the Shipbuilding and Shiprepairing Industry was compiled by the undersigned, and the stenographic work was well performed by Jane W. Conway, Secretary.

H. Newton Whittlesey (Signed)
H. Newton Whittlesey
Assistant Deputy Section Director

OFFICE OF THE NATIONAL RECOVERY ADMINISTRATION
THE DIVISION OF REVIEW

THE WORK OF THE DIVISION OF REVIEW

Executive Order No. 7075, dated June 15, 1935, established the Division of Review of the National Recovery Admiristration. The pertinent part of the Executive Order reads thus:

> The Division of Review shall assemble, analyze, and report upon the statistical information and records of experience of the operations of the various trades and industries heretofore subject to codes of fair competition, shall study the effects of such codes upon trade, industrial and labor conditicns in general, and other related matters, shall make available for the protection and promotion of the public interest an adequate review of the effects of the Administration of Title I of the Naticnal Industrial Recovery Act, and the principles and policies put into effect thereunder, and shall otherwise aid the President in carrying out his functions under the said Title. I hereby appoint Leon C. Marshall, Director of the Division of Review.

The study sections set up in the Division of Review covered these areas: industry studies, foreign trade studies, labor studies, trade practice studies, statistical studies, legal studies, administration studies, miscellaneous studies, and the writing of code histories. The materials which were produced by these sections are indicated below.

Except for the Code Histories, all items mentioned below are scheduled to be in mimeographed form by April 1, 1936.

THE CODE HISTORIES

The Code Histories are documented accounts of the formation and administration of the codes. They contain the definition of the industry and the principal products thereof; the classes of members in the industry; the history of code formation including an account of the sponsoring organizations, the conferences, negotiations and hearings which were held, and the activities in connection with obtaining approval of the code; the history of the administration of the code, covering the organization and operation of the code authority, the difficulties encountered in administration, the extent of compliance or non-compliance, and the general success or lack of success of the code; and an analysis of the operation of code provisions dealing with wages, hours, trade practices, and other provisions. These and other matters are canvassed not only in terms of the materials to be found in the files, but also in terms of the experiences of the deputies and others concerned with code formation and administration.

The Code Histories, (including histories of certain NRA units or agencies) are not mimeographed. They are to be turned over to the Department of Commerce in typewritten form. All told, approximately eight hundred and fifty (850) histories will be completed. This number includes all of the approved codes and some of the unapproved codes. (In Work Materials No. 18, Contents of Code Histories, will be found the outline which governed the preparation of Code Histories.)

(In the case of all approved codes and also in the case of some codes not carried to final approval, there are in NRA files further materials on industries. Particularly worthy of mention are the Volumes I, II and III which constitute the material officially submitted to the President in support of the recommendation for approval of each code. These volumes

set forth the origination of the code, the sponsoring group, the evidence advanced to support the proposal, the report of the Division of Research and Planning on the industry, the recommendations of the various Advisory Boards, certain types of official correspondence, the transcript of the formal hearing, and other pertinent matter. There is also much official information relating to amendments, interpretations, exemptions, and other rulings. The materials mentioned in this paragraph were of course not a part of the work of the Division of Review.)

THE WORK MATERIALS SERIES

In the work of the Division of Review a considerable number of studies and compilations of data (other than those noted below in the Evidence Studies Series and the Statistical Material Series) have been made. These are listed below, grouped according to the character of the material. (In Work Materials No. 17, Tentative Outlines and Summaries of Studies in Process, these materials are fully described).

Industry Studies

Automobile Industry, An Economic Survey of
Bituminous Coal Industry under Free Competition and Code Regulation, Economic Survey of
Electrical Manufacturing Industry, The
Fertilizer Industry, The
Fishery Industry and the Fishery Codes
Fishermen and Fishing Craft, Earnings of
Foreign Trade under the National Industrial Recovery Act
  Part A - Competitive Position of the United States in International Trade 1927-29 through 1934.
  Part B - Section 3 (e) of NIRA and its administration.
  Part C - Imports and Importing under NRA Codes.
  Part D - Exports and Exporting under NRA Codes.
Forest Products Industries, Foreign Trade Study of the
Iron and Steel Industry, The
Knitting Industries, The
Leather and Shoe Industries, The
Lumber and Timber Products Industry, Economic Problems of the
Men's Clothing Industry, The
Millinery Industry, The
Motion Picture Industry, The
Migration of Industry, The: The Shift of Twenty-Five Needle Trades From New York State, 1926 to 1934
National Labor Income by Months, 1929-35
Paper Industry, The
Production, Prices, Employment and Payrolls in Industry, Agriculture and Railway Transportation, January 1923, to date
Retail Trades Study, The
Rubber Industry Study, The
Textile Industry in the United Kingdom, France, Germany, Italy, and Japan
Textile Yarns and Fabrics
Tobacco Industry, The
Wholesale Trades Study, The
Women's Neckwear and Scarf Industry, Financial and Labor Data on

Women's Apparel Industry, Some Aspects of the

Trade Practice Studies

Commodities, Information Concerning: A Study of NRA and Related Experiences in Control
Distribution, Manufacturers' Control of: Trade Practice Provisions in Selected NRA Codes
Distributive Relations in the Asbestos Industry
Design Piracy: The Problem and Its Treatment Under NRA Codes
Electrical Mfg. Industry: Price Filing Study
Fertilizer Industry: Price Filing Study
Geographical Price Relations Under Codes of Fair Competition, Control of
Minimum Price Regulation Under Codes of Fair Competition
Multiple Basing Point System in the Lime Industry: Operation of the
Price Control in the Coffee Industry
Price Filing Under NRA Codes
Production Control in the Ice Industry
Production Control, Case Studies in
Resale Price Maintenance Legislation in the United States
Retail Price Cutting, Restriction of, with special Emphasis on The Drug Industry.
Trade Practice Rules of The Federal Trade Commission (1914-1936): A classification for comparison with Trade Practice Provisions of NRA Codes.

Labor Studies

Cap and Cloth Hat Industry, Commission Report on Wage Differentials in
Earnings in Selected Manufacturing Industries, by States, 1933-35
Employment, Payrolls, Hours, and Wages in 115 Selected Code Industries 1933-1935
Fur Manufacturing, Commission Report on Wages and Hours in
Hours and Wages in American Industry
Labor Program Under the National Industrial Recovery Act, The
  Part A. Introduction
  Part B. Control of Hours and Reemployment
  Part C. Control of Wages
  Part D. Control of Other Conditions of Employment
  Part E. Section 7(a) of the Recovery Act
Materials in the Field of Industrial Relations
PRA Census of Employment, June, October, 1933
Puerto Rico Needlework, Homeworkers Survey

Administrative Studies

Administrative and Legal Aspects of Stays, Exemptions and Exceptions, Code Amendments, Conditional Orders of Approval
Administrative Interpretations of NRA Codes
Administrative Law and Procedure under the NIRA
Agreements Under Sections 4(a) and 7(b) of the NIRA
Approve Codes in Industry Groups, Classification of
Basic Code, the -- (Administrative Order X-61)
Code Authorities and Their Part in the Administration of the NIRA
  Part A. Introduction
  Part B. Nature, Composition and Organization of Code Authorities

Part C. Activities of the Code Authorities
Part D. Code Authority Finances
Part E. Summary and Evaluation
Code Compliance Activities of the NRA
Code Making Program of the NRA in the Territories, The
Code Provisions and Related Subjects, Policy Statements Concerning
Content of NIRA Administrative Legislation
Part A. Executive and Administrative Orders
Part B. Labor Provisions in the Codes
Part C. Trade Practice Provisions in the Codes
Part D. Administrative Provisions in the Codes
Part E. Agreements under Sections 4(a) and 7(b)
Part F. A Type Case: The Cotton Textile Code
Labels Under NRA, A Study of
Model Code and Model Provisions for Codes, Development of
National Recovery Administration, The: A Review of its Organization and Activities
NRA Insignia
President's Reemployment Agreement, The
President's Reemployment Agreement, Substitutions in Connection with the
Prison Labor Problem under NRA and the Prison Compact, The
Problems of Administration in the Overlapping of Code Definitions of Industries and Trades, Multiple Code Coverage, Classifying Individual Members of Industries and Trades
Relationship of NRA to Government Contracts and Contracts Involving the Use of Government Funds
Relationship of NRA with States and Municipalities
Sheltered Workshops Under NRA
Uncodified Industries: A Study of Factors Limiting the Code Making Program

Legal Studies

Anti-Trust Laws and Unfair Competition
Collective Bargaining Agreements, the Right of Individual Employees to Enforce
Commerce Clause, Federal Regulation of the Employer-Employee Relationship Under the
Delegation of Power, Certain Phases of the Principle of, with Reference to Federal Industrial Regulatory Legislation
Enforcement, Extra-Judicial Methods of
Federal Regulation through the Joint Employment of the Power of Taxation and the Spending Power
Government Contract Provisions as a Means of Establishing Proper Economic Standards, Legal Memorandum on Possibility of
Industrial Relations in Australia, Regulation of
Intrastate Activities Which so Affect Interstate Commerce as to Bring them Under the Commerce Clause, Cases on
Legislative Possibilities of the State Constitutions
Post Office and Post Road Power -- Can it be Used as a Means of Federal Industrial Regulation?
State Recovery Legislation in Aid of Federal Recovery Legislation History and Analysis
Tariff Rates to Secure Proper Standards of Wages and Hours, the Possibility of Variation in
Trade Practices and the Anti-Trust Laws
Treaty Making Power of the United States
War Power, Can it be Used as a Means of Federal Regulation of Child Labor?

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THE EVIDENCE STUDIES SERIES

The Evidence Studies were originally undertaken to gather material for pending court cases. After the Schechter decision the project was continued in order to assemble data for use in connection with the studies of the Division of Review. The data are particularly concerned with the nature, size and operations of the industry; and with the relation of the industry to interstate commerce. The industries covered by the Evidence Studies account for more than one-half of the total number of workers under codes. The list of those studies follows:

Automobile Manufacturing Industry
Automotive Parts and Equipment Industry
Baking Industry
Boot and Shoe Manufacturing Industry
Bottled Soft Drink Industry
Builders' Supplies Industry
Canning Industry
Chemical Manufacturing Industry
Cigar Manufacturing Industry
Coat and Suit Industry
Construction Industry
Cotton Garment Industry
Dress Manufacturing Industry
Electrical Contracting Industry
Electrical Manufacturing Industry
Fabricated Metal Products Mfg. and Metal Finishing and Metal Coating Industry
Fishery Industry
Furniture Manufacturing Industry
General Contractors Industry
Graphic Arts Industry
Gray Iron Foundry Industry
Hosiery Industry
Infant's and Children's Wear Industry
Iron and Steel Industry
Leather Industry
Lumber and Timber Products Industry
Mason Contractors Industry
Men's Clothing Industry
Motion Picture Industry
Motor Vehicle Retailing Trade
Needlework Industry of Puerto Rico
Painting and Paperhanging Industry
Photo Engraving Industry
Plumbing Contracting Industry
Retail Lumber Industry
Retail Trade Industry
Retail Tire and Battery Trade Industry
Rubber Manufacturing Industry
Rubber Tire Manufacturing Industry
Shipbuilding Industry
Silk Textile Industry
Structural Clay Products Industry
Throwing Industry
Trucking Industry
Waste Materials Industry
Wholesale and Retail Food Industry
Wholesale Fresh Fruit and Vegetable Industry
Wool Textile Industry

THE STATISTICAL MATERIALS SERIES

This series is supplementary to the Evidence Studies Series. The reports include data on establishments, firms, employment, payrolls, wages, hours, production capacities, shipments, sales, consumption, stocks, prices, material costs, failures, exports and imports. They also include notes on the principal qualifications that should be observed in using the data, the technical methods employed, and the applicability of the material to the study of the industries concerned. The following numbers appear in the series:
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Asphalt Shingle and Roofing Industry
Business Furniture
Candy Manufacturing Industry
Carpet and Rug Industry
Cement Industry
Cleaning and Dyeing Trade
Coffee Industry
Copper and Brass Mill Products Industry
Cotton Textile Industry
Electrical Manufacturing Industry
Fertilizer Industry
Funeral Supply Industry
Glass Container Industry
Ice Manufacturing Industry
Knitted Outerwear Industry
Paint, Varnish, and Lacquer, Mfg. Industry
Plumbing Fixtures Industry
Rayon and Synthetic Yarn Producing Industry
Salt Producing Industry

THE COVERAGE

The original, and approved, plan of the Division of Review contemplated resources sufficient (a) to prepare some 1200 histories of codes and NRA units or agencies, (b) to consolidate and index the NRA files containing some 40,000,000 pieces, (c) to engage in extensive field work, (d) to secure much aid from established statistical agencies of government, (e) to assemble a considerable number of experts in various fields, (f) to conduct approximately 25% more studies than are listed above, and (g) to prepare a comprehensive summary report.

Because of reductions made in personnel and in use of outside experts, limitation of access to field work and research agencies, and lack of jurisdiction over files, the projected plan was necessarily curtailed. The most serious curtailments were the omission of the comprehensive summary report; the dropping of certain studies and the reduction in the coverage of other studies; and the abandonment of the consolidation and indexing of the files. Fortunately, there is reason to hope that the files may yet be cared for under other auspices.

Notwithstanding these limitations, if the files are ultimately consolidated and indexed the exploration of the NRA materials will have been sufficient to make them accessible and highly useful. They constitute the largest and richest single body of information concerning the problems and operations of industry ever assembled in any nation.

L. C. Marshall,
Director, Division of Review.

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